

Joseph Leckie Academy Trust

Registered number: 07892678

Governors' report and financial statements

For the year ended 31 August 2013

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Governors and Advisers	1 - 2
Governors' Report	3 - 10
Governance Statement	11 - 13
Statement on Regularity, Propriety and Compliance	14
Governors' Responsibilities Statement	15
Independent Auditors' Report	16 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities	20 - 21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 - 43

JOSEPH LECKIE ACADEMY TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2013

Governors

Mr K Whittlestone * ^, Principal and Accounting Officer
Mrs S Beech * ^, Chair (resigned 9 July 2013)
Mrs H Hampshire
Mr P Freeman
Mrs G Hodson-Waldron ^, Vice Chair until 19th September 13 (and acting Chair
from 9th July 2013 until 19th September 13)
Ms K Kaur *, (Vice Chair from 19th September 2013)
Mrs G Smith *
Ms N Kouser *
Ms P Tutrice
Mr M Hussain, (Chair from 19th September 2013)
Mrs P Wade
Mr A Ditta
Mr M Afzal * (resigned 15 October 2012)
Mr C Beilby * (resigned 31 July 2013)
Mr B Smartt * (resigned 31 July 2013)
Mr B Hazell
Mrs J Hazell

* Denotes Members of the Finance and General Purpose Committee

^ Denotes Trustees of Joseph Leckie Academy Trust

Company registered number

07892678

Principal and registered office

Walstead Road West
Walsall
WS5 4PG

Company secretary

Mr S Bell

Senior management team

Mr K Whittlestone, Principal
Mr R Thomas (Retired August 31st 2013), Deputy Headteacher
Miss R Cook, Assistant Headteacher
Mrs J Smith, Assistant Headteacher
Mrs G Smith, Assistant Headteacher
Mr G Davies, Assistant Headteacher

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Advisers (continued)

Independent auditors

Mazars LLP
Chartered Accountants
Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Bankers

Lloyds
The Bridge
Walsall
West Midlands
WS1 1LQ

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act and trustees for the purposes of Charity Law) present their annual report together with the audited financial statements of Joseph Leckie Academy Trust (the academy) for the year ended 31 August 2013. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association.

The academy is constituted under a Memorandum of Association.

The principal object of the academy is the operation of Joseph Leckie Academy Trust to provide education for students of different abilities between the ages of 11 and 18 providing a broad and balanced curriculum.

Members' liability

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

Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body. Any vacancies will be advertised on the academy website and newsletter.

We have delegated to the Principal the overall responsibility for organising the election and to also undertake the role of returning officer. At any one time the structure of the governing body must be:

- a. Up to 6 Community Governors, appointed under Article 50
- b. 4 Staff Governors, appointed under Articles 58A to 58C (at least 1 teacher and at least 1 support staff);
- c. 6 Parent Governors appointed under Articles 53 - 58 ;
- d. The Principal; and
- e. Any Additional Governors, if appointed under Article 62, 62A or 68A.

Policies and procedures adopted for the induction and training of Governors

New governors are invited to meet the Principal and the Chair of Governors before their first meeting. In addition they are sent a pack of documentation which provides guidance on the governors' role.

At their first meeting, the governors' subcommittee meeting is explained and they are invited to attend such meetings.

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Organisational structure

The Governing Body has delegated areas of its work, and in three cases decision making responsibilities, to a number of committees. All of these committees:

- Meet twice a term, elect a Chair and Vice Chair at the first meeting of the year, and have a quorum of 3 members
- Receive reports from the Principal once a term which contain key issues for the attention of the committee
- Perform a largely strategic role [setting aims and objectives, agreeing policies, targets and priorities, and monitoring and reviewing aims, objectives and progress], act as a 'critical friend', delegate responsibilities to the Principal as appropriate, and make necessary decisions / recommendations.
- Work within the bounds of Policies and Practices, Local Authority and Statutory Instruments

The following committees are currently in place:

Personnel: Chair – Mrs S Beech Vice – Mrs G Hodgson - Waldron.

All personnel matters including establishment, development, leave of absence, pay policy, performance management, early retirements, disciplinary action, dismissal [first committee – Full Governors provide second or appeals committee] overseeing freedom of information requests. Decisions are reported twice a term.

Finance & General Purposes: Chair – Mrs S Beech, Vice – Mrs K Kaur. All financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports. Approval of the budget, Best Value Statement and virements over £50,000 will remain the responsibility of the Full Governors. Reports decisions with appropriate recommendations twice a term

-Pay Appeals: Chair – Mrs S Beech

-Admissions: Chair – Mrs S Beech

Sites & Buildings Health and Safety: Chair – Cllr A Ditta, Maintenance, Improvement and Security of buildings and grounds, making related contractual arrangements, health and safety, Insurance, determining the Premises Development Plan and draft budget, lettings policy and charges, use of premises, community links and partnerships. Decisions are reported twice a term.

Staffing: Chair – To be determined at first meeting Vice - To be determined at first meeting. Appointments apart from Principal, Deputy Headteacher

-Curriculum: Chair – Mrs P Wade, Vice – Mrs K Kaur

-Discipline / Exclusions: Student Exclusions. Reports as appropriate / necessary.

-Principal's Performance Management Review: Chair – Mrs G Hodgson - Waldron, Vice – Cllr Ditta

The terms of reference of each committee must be approved by the full governing body and reviewed each year. They provide the sole agreed framework within which each committee operates.

Connected organisations, including related party relationships

The academy works in partnership with Joseph Leckie Community Association providing community education and extended services opportunities during the evenings, weekends and holiday periods.

The academy is a member of the Walsall Association of Secondary Headteachers. The Principal is currently Chair of this group. As members of this association, we work with other schools in the Walsall area to work collaboratively, develop and share good practice. We are able to offer opportunities to colleagues – so, for example, our NQTs attended an Induction / Introduction to Walsall Programme' arranged and delivered by Walsall Childrens' Services - Serco. Two of our colleagues have completed the Middle Leadership Programme and the Principal is a Local Leader of Education – an NCSL initiative allowing excellent practitioners to provide

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

support to other Headteachers / senior colleagues in other schools. LLE applications are brokered and supported the Local Leaders in Education network and the National College for Teaching and Leadership (NCSL).

Risk management

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The academy has a risk register that is reviewed annually by the Governing Body. It was last reviewed on 21 September 2012. The register records the risks that have been identified and the control measures it has implemented. The statement of internal control is considered annually.

Governors' indemnities

The Governors have liability Insurance with Zurich Municipal effective date 1st June 2013. There is a limit of Indemnity of £5,000,000.

OBJECTIVES AND ACTIVITIES

Objects and aims

Joseph Leckie Academy Trust strives to be a Centre of Enthusiasm, Enterprise and Excellence, working in a spirit of Openness and Partnership to meet the needs, and further the aspirations, of its students and the wider community it serves.

A set of shared values underpins the positive working atmosphere and success of our academy community:-

- Respect for each other and the academy environment
- Courtesy in all our actions
- High standards and quality in all that we do
- Recognition and celebration of achievement, both personal and collective
- Enthusiasm for all aspects of our work in the academy
- Commitment to the securing of our goals
- Initiative, Imagination and Innovation in our approaches to problems and in establishing the academy as a learning organisation.

Objectives, strategies and activities

The principle object of the academy is the operation of Joseph Leckie Academy Trust to provide education for students of different abilities between the ages of 11 and 18 providing a broad and balanced curriculum for all.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on technology. The main objectives of the academy during the year ended 31 August 2013 are summarised below:

- Offering the widest possible range of academic and vocational educational opportunities to match every student's need and ambitions thus enabling them to achieve economic well being in an increasingly 'technological' world;

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

- Fostering attitudes that will help all students grow into tolerant, responsible citizens in our multicultural society, who will make a positive contribution in the community;
- Providing emotional and pastoral support to help individual students meet the challenges they face in a safe, happy and caring environment;
- Nurturing positive attitudes towards personal safety and a healthy lifestyle;
- Exploiting the benefits of our specialist school status to create a distinct character for the academy in order to further raise individual levels of achievement and standards of performance;
- Working in close partnership with parents, outside agencies, business, civic and voluntary bodies in order to motivate students, broaden their experience, develop enterprise and help them to see the relevance of education to their future prospects in life;
- Working with schools, colleges and universities in Walsall and further afield as necessary;
- Providing an attractive and stimulating working environment with regard to buildings, facilities, equipment and furniture; and
- Making teaching and learning more productive and efficient by harnessing modern technology and promoting independent learning.

Public benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidelines on public benefit.

The academy looks to promote for the benefit of the inhabitants of Delves, Palfrey, Whitehall and Caldmore areas of Walsall and the surrounding area: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

ACHIEVEMENTS AND PERFORMANCE

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy 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 intake numbers for September 2013 are below the Academy's Pupil Admission Number but above the number admitted in September 2012. This is as expected because of the dip in pupils in the primary phase of education. It is anticipated that numbers will continue to improve from September 2014 as the numbers transferring from primary to secondary increase.

We have some outstanding individual examination achievements at GCSE; AS and A2 with results at GCSE being the best the Academy has ever produced with an improvement of 17% on last year's record breaking results.

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Students in the Academy performed particularly well in art and design, business, English Literature, chemistry, biology, physics, maths.

As part of the Academy's commitment to providing the very best outcomes for all our students we are already analysing the results and developing strategies to ensure our students achieve the very best results possible in summer 2014 and beyond.

Headline Results

94% of students gained 5 or more A* - C grades compared with 77% in 2012
45% of students gained 5 or more Higher Grades including English and Maths compared with 52% in 2012

Students produced high results

100% of students who studied art, business, chemistry and health and social care achieved a Higher Grade
98% of students who studied English Literature and biology achieved A* - C grades
67% of students achieved A* - C grades in maths
56% of students achieved A* - C grades in English Language.
92% of students left with A* - G grades in at least 5 subjects
89% of students left with A* - G grades in at least 5 subjects including English and Maths
99% of students achieved one or more A* - G grades.

Superb performances at the highest level

257 Students achieved A*, A and Distinction grades
38 students achieved 3 or more A* and A grades
81 students achieved 8 or more A* - C grades

At Post 16:

The overall pass rate was 94% with 15 out of 22 curriculum areas achieving a 100% pass rate. There were a large number of individual successes.

Staffing achievements and appointments

- Successful induction of NQT's and other new to Joseph Leckie Academy teaching staff members.
- GTP programme completed for one colleague.
- Full programme of support for ITT students from Birmingham, City of Birmingham and Wolverhampton Universities. Successful Student Associate and Teacher Taster visit
- Appointment of two Assistant Headteachers on a temporary basis with permanent appointments' process to be completed in the autumn or spring term.

Curriculum achievements

- Successful embedding of the Key Stage 4 three distinct pathways and introduction of the Nurture Group in Year 8 from September 2013
- Further development of the 6th form Bursary Scheme.

Ways in which we are supporting students

- Further development of Sixth Form and Information Centre areas.
- Sixth Form Student Leaders selection and training
- Additional Teaching Assistants in a number of curriculum areas including English and maths
- Improved attendance figures
- Year 11 Prom
- Sixth Form Prom
- Another successful summer school for incoming Year 6 pupils.

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

Primary liaison

The Transition Manager and Learning Mentors visit main feeder Primary Schools to talk to Year 6 pupils and their teachers prior to transfer. In addition each pupil transferring to Joseph Leckie Academy spends a day undertaking a variety of activities led by teachers and student mentors in July each year. Development of Peer Mentors / Year 9 Mentors, LSA / mentor support for new Year 7. Holiday activities are successfully arranged during half term, Easter and summer holiday periods in a variety of sports and other activities such as arts and crafts, safe biking, literacy and numeracy.

Partnership working

- Member of the Walsall Association of Headteachers
- Re - designation of the Principal as a Local Leader of Education

Buildings & Resources works

- Major improvement in ICT facilities including new servers and major hardware replacements throughout several areas of the Academy.
- New CCTV servers and new and replacement cameras giving much greater coverage of the campus.
- Replacement of water tank above the Art Block

Sporting achievements

- The Academy has teams and clubs in a variety of sports including netball, football, basketball, rounders and cricket.
- Organised Walsall Athletics Championships

FINANCIAL REVIEW

Financial and risk management objectives and policies

The academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is reducing as advised by the West Midlands' Local Government Association the pension actuarial experts.

Principal risks and uncertainties

The principal risks for the academy during the next few years are:

1. The reduction in students in the academy's 'area of benefit' and the opening of 'free' and 'studio' schools alongside a loss of potential students to 'faith schools' in the area. The academy closely monitors applications for places in and models the financial implications of any trends.
2. Changes to the funding formula. The Principal is a member of the Walsall Association of Headteachers, which is the group that makes financial decisions in conjunction with the Local Authority. This informs the Academy's Leadership Team and the Trustees of impending changes to the Funding Formula.
3. Changes in the funding for Sixth Form Students. There is a planned change in the funding formula for 6th form students which will have a negative impact on the Academy's overall budget.

JOSEPH LECKIE ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

Reserves policy

The Governors' policy is to review the reserve levels of the Academy annually. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. The overall condition of the fabric of the buildings continues to be a serious cause for concern which also constrains the development of technology to enhance and enrich the curriculum and hinders some curriculum development such as Post 16 where high numbers of students have been traditionally recruited across a wide range of subject areas.

The Academy has a policy of carrying forward some internal under / overspends. This does result in an increase in the Academy reserve.

Review of the year

As an Academy, most of our funding now comes direct from central government, via the EFA rather than from Walsall Borough Council as was the case for the predecessor school. Our Governing body has responsibility for approving the Academy budget and for scrutinising Academy spending to ensure we manage our resources within that budget plan. The Academy is funded by the Education Funding Agency ("EFA") using the Walsall Local Authority Funding formula. In addition the Academy receives the LAGSEG funding from the EFA.

This is the first full financial year as an Academy and the results show an overall net surplus of £402,342. Total incoming resources total £7,854,598 with the majority (£7,566,783) relating to funding from the EFA, local authority and other government sources. Expenditure for the year totalled £7,479,256 with the majority (£5,675,767) relating to staff costs.

At the year end, the Academy has a positive balance sheet position with net assets totalling £15,301,029.

The local government pension scheme deficit has increased to £1,815,000 from the previous year, which includes a £27,000 actuarial gain for the year.

The closing restricted funds as at 31 August 2013 accumulate to £14,563,575 as this includes £1,815,000 relating to the pension scheme deficit. The deficit is being repaid as advised by Mercers, pension actuary experts.

The Academy is in a very good financial position for the forthcoming year.

PLANS FOR THE FUTURE

Future developments

The academy welcomes the Government initiative of Closing the Gap and the introduction of the Pupil Premium. We will continue to make this a priority of the academy.

Ensuring the academy provides a first class learning and working environment remains a priority. To secure this we must maintain a programme of judicious investment. In the coming year we intend to invest in our Academy in the following ways:

- Seek capital funding for the construction of the remainder of the master plan as per our BSF original and subsequent bid for funding
- Continue to upgrade our ICT infrastructure, hardware and software
- New build for a Post 16 Centre due to expansion and building conditions

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Funds held as custodian

There are no funds that are held by the Academy Trust but are not owned by them.

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor 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.

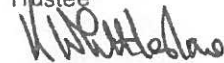
AUDITORS

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the board of trustees on 4 December 2013 and signed on its behalf by:



.....
Mrs G Hodson-Waldron
Trustee



.....
Mr K Whittlestone
Accounting Officer

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Joseph Leckie 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 Principal, 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 Joseph Leckie 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 Governors' Report and in the Governors' Responsibilities Statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr K Whittlestone, Principal and Accounting Officer	5	5
Mrs S Beech, Chair	5	5
Mrs H Hampshire	4	5
Mr P Freeman	0	5
Mrs G Hodson-Waldron ^, Vice Chair until 19th September 13 (and acting Chair from 9th July 2013 until 19th September 13)	3	5
Ms K Kaur, (Vice Chair from 19th September 2013)	5	5
Mrs G Smith	4	5
Ms N Kouser	5	5
Ms P Tutrice	4	5
Mr M Hussain, (Chair from 19th September 2013)	1	5
Mrs P Wade	4	5
Mr A Ditta	2	5
Mr R Hazell	1	1
Mr C Beilby	0	5
Mr B Smartt	2	5
Mrs J Hazell	1	1

The Finance and General Purposes Committee is a sub committee of the main governing body. Its purpose is to discuss financial matters including preparation of draft budget, approving journals and transfers, making contractual arrangements, approving write-offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports. Approval of the budget, Best Value Statement and journals over £50,000 will remain the responsibility of the Full Governors.

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Ms K Kaur	4	5
Mrs G Smith	4	5
Ms N Kouser	4	5
Mr C Bellby	0	5
Mr B Smartt	1	5

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 ongoing 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 in Joseph Leckie Academy Trust for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 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 programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the Responsible Officer 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 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 external auditors;
- the financial management and governance self-assessment process;


**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

GOVERNANCE STATEMENT (continued)

- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 4 December 2013 and signed on their behalf, by:


.....
Mrs G Hodson-Waldron
Trustee


.....
Mr K Whittlestone, Principal
Accounting Officer

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Joseph Leckie Academy Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....
Mr K Whittlestone, Principal
Accounting Officer

Date: 4 December 2013

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors of Joseph Leckie Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

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

The Governors 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 Governors 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 Governors 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 and signed on its behalf by:



Mrs G Hodson-Waldron
Trustee

Date: 4 December 2013



Mr K Whittlestone, Principal
Accounting Officer

Date: 4 December 2013

JOSEPH LECKIE ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOSEPH LECKIE ACADEMY TRUST

We have audited the financial statements of Joseph Leckie Academy Trust for the year 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 Academies Accounts Direction 2013 issued by the Education Funding Agency.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law and trustees 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 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 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matters prescribed by the Companies Act 2006

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

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOSEPH LECKIE
ACADEMY TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ian Holder (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
B3 2RT
Date:

19 December 2013

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 1st October 2013 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 Joseph Leckie Academy Trust during the year 1 September 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 Joseph Leckie 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 Joseph Leckie 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 Joseph Leckie Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Joseph Leckie Academy Trust's funding agreement with the Secretary of State for Education dated 25th January 2012, and the Academies Financial Handbook extant from 2006, 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 year 1 September 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 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's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO JOSEPH LECKIE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
(continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

45 Church Street
Birmingham
B3 2RT

Date: *19 December 2013*

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income - transfer from Local Authority on conversion	2	-	-	-	-	14,852,644
Activities for generating funds	3	18,305	-	-	18,305	499
Investment income	4	5,444	-	-	5,444	570
Incoming resources from charitable activities	6	-	7,357,903	208,880	7,566,783	4,290,459
Other incoming resources	6	1,027	263,039	-	264,066	88,293
Total incoming resources		24,776	7,620,942	208,880	7,854,598	19,232,465
Resources expended						
Charitable activities	7,8	17,327	7,060,717	340,910	7,418,954	4,132,513
Governance costs	10	-	60,302	-	60,302	45,265
Total resources expended		17,327	7,121,019	340,910	7,479,256	4,177,778
Net incoming resources before transfers		7,449	499,923	(132,030)	375,342	15,054,687

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Transfers between Funds	20	-	(42,766)	42,766	-	-
Net income for the year		<u>7,449</u>	<u>457,157</u>	<u>(89,264)</u>	<u>375,342</u>	<u>15,054,687</u>
Actuarial gains/(losses) on defined benefit pension schemes	25	-	27,000	-	27,000	(156,000)
Net movement in funds for the year		<u>7,449</u>	<u>484,157</u>	<u>(89,264)</u>	<u>402,342</u>	<u>14,898,687</u>
Total funds at 1 September 2012	20	<u>712,678</u>	<u>(1,481,958)</u>	<u>15,667,967</u>	<u>14,898,687</u>	<u>-</u>
Total funds at 31 August 2013	20	<u><u>720,127</u></u>	<u><u>(997,801)</u></u>	<u><u>15,578,703</u></u>	<u><u>15,301,029</u></u>	<u><u>14,898,687</u></u>

All of the academy's activities derive from continuing operations in the current year and acquisitions in the previous 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 Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 43 form part of these financial statements.

JOSEPH LECKIE ACADEMY TRUST


Registered number: 07892678

(A Company Limited by Guarantee)


BALANCE SHEET AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	16		15,578,704		15,667,968
Current assets					
Stocks	17	6,841		-	
Debtors	18	20,959		200,634	
Cash at bank		1,925,458		831,323	
		<u>1,953,258</u>		<u>1,031,957</u>	
Creditors: amounts falling due within one year	19	<u>(415,933)</u>		<u>(35,238)</u>	
Net current assets			<u>1,537,325</u>		<u>996,719</u>
Total assets less current liabilities			<u>17,116,029</u>		<u>16,664,687</u>
Defined benefit pension scheme liability	25		<u>(1,815,000)</u>		<u>(1,766,000)</u>
Net assets including pension scheme liabilities			<u><u>15,301,029</u></u>		<u><u>14,898,687</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	20	817,199		284,042	
Restricted fixed asset funds	20	15,578,703		15,667,967	
Restricted funds excluding pension liability		<u>16,395,902</u>		<u>15,952,009</u>	
Pension reserve	20	<u>(1,815,000)</u>		<u>(1,766,000)</u>	
Total restricted funds			<u>14,580,902</u>		<u>14,186,009</u>
Unrestricted funds	20		<u>720,127</u>		<u>712,678</u>
Total funds			<u><u>15,301,029</u></u>		<u><u>14,898,687</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 4 December 2013 and are signed on their behalf, by:



Mrs G Hodson-Waldron
Trustee



Mr K Whittlestone, Principal
Accounting Officer

The notes on pages 24 to 43 form part of these financial statements.

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Net cash flow from operating activities	22	1,345,782	1,031,388
Returns on investments and servicing of finance	23	-	1,391
Capital expenditure and financial investment	23	(251,647)	(201,456)
Increase in cash in the year		<u>1,094,135</u>	<u>831,323</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Increase in cash in the year	1,094,135	831,323
Movement in net funds in the year	<u>1,094,135</u>	<u>831,323</u>
Net funds at 1 September 2012	831,323	-
Net funds at 31 August 2013	<u>1,925,458</u>	<u>831,323</u>

The notes on pages 24 to 43 form part of these financial statements.

JOSEPH LECKIE ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Going concern

The Governors 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 academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.5 Taxation

The academy 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 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.

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.6 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 provided to the academy 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.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.7 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.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	2 % straight line
Fixtures and fittings	-	12.5 % straight line
Computer equipment	-	33.3 % straight line

1.9 Operating leases

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.11 Pensions

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 Pension 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 method. As stated in note 25, the TPS is a multi-employer scheme and the academy 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 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 the 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 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.

2. Voluntary income - transfer from Local Authority on conversion

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Donated assets	-	-	-	15,658,149
Liability transferred from Local Authority on conversion	-	-	-	(1,578,000)
Asset transferred on conversion	-	-	-	60,387
Assets transferred from Local Authority on conversion	-	-	-	712,108
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	-	-	14,852,644
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

3. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Hire of facilities	18,305	-	18,305	499
	<u>18,305</u>	<u>-</u>	<u>18,305</u>	<u>499</u>

4. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Interest	1,294	-	1,294	570
Short term deposits	4,150	-	4,150	-
	<u>5,444</u>	<u>-</u>	<u>5,444</u>	<u>570</u>

5. Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	7,110,582	7,110,582	4,204,767
Start up grants	-	-	-	25,000
Other DfE/EFA grants	-	220,081	220,081	-
Academy main building grant	-	208,880	208,880	-
Devolved formula capital allocations	-	-	-	47,692
	<u>-</u>	<u>7,539,543</u>	<u>7,539,543</u>	<u>4,277,459</u>
Other government grants				
Local authority grants	-	27,240	27,240	13,000
	<u>-</u>	<u>27,240</u>	<u>27,240</u>	<u>13,000</u>
	<u>-</u>	<u>7,566,783</u>	<u>7,566,783</u>	<u>4,290,459</u>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

6. Other incoming resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Academy trips	-	27,464	27,464	28,832
1-2-1 income	-	-	-	10,004
Sundry income	1,027	235,575	236,602	49,457
	<u>1,027</u>	<u>263,039</u>	<u>264,066</u>	<u>88,293</u>

7. Resources expended

	Staff costs £	Premises £	Other costs £	2013 £	2012 £
Academy's educational operations					
- Direct costs	4,943,554	311,826	413,319	5,668,699	3,286,617
- Allocated support costs	732,213	732,795	285,247	1,750,255	845,896
Sub total	<u>5,675,767</u>	<u>1,044,621</u>	<u>698,566</u>	<u>7,418,954</u>	<u>4,132,513</u>
Governance costs including allocated support costs	-	-	60,302	60,302	45,265
Total	<u>5,675,767</u>	<u>1,044,621</u>	<u>758,868</u>	<u>7,479,256</u>	<u>4,177,778</u>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. Direct costs

	Unrestricted £	Restricted £	Total 2013 £	Total 2012 £
Teaching and educational support staff				
Wages and salaries	-	4,241,644	4,241,644	2,391,994
National insurance	-	336,112	336,112	193,311
Pension costs	-	365,798	365,798	210,271
Sub total	-	4,943,554	4,943,554	2,795,576
Sub-Header				
Educational supplies	-	134,199	134,199	132,217
Exam fees	-	144,019	144,019	64,859
Staff development	-	10,390	10,390	7,840
Educational consultancy	-	178	178	-
Depreciation	-	311,826	311,826	191,638
Other direct costs	-	124,533	124,533	94,487
Total	-	5,668,699	5,668,699	3,286,617

9. Support costs

	Unrestricted £	Restricted £	Total 2013 £	Total 2012 £
Wages and salaries				
Wages and salaries	-	402,400	402,400	223,278
National insurance	-	20,199	20,199	11,111
Pension costs	-	309,614	309,614	162,349
Sub total	-	732,213	732,213	396,738
Sub-Header				
Depreciation	-	29,084	29,084	-
Recruitment and support	-	13,279	13,279	-
Maintenance of premises and equipment	-	315,527	315,527	(8,879)
Cleaning	-	142,598	142,598	79,996
Rent, rates and utilities	17,327	228,259	245,586	152,277
Insurance	-	49,162	49,162	-
Security and transport	-	23,078	23,078	15,011
Catering	-	114,257	114,257	84,482
Bank interest and other charges	-	1,712	1,712	1,275
Other support costs	-	83,759	83,759	124,996
Total	17,327	1,732,928	1,750,255	845,896

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

10. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Audit fees	-	7,000	7,000	8,850
Governance Auditors' non audit costs	-	12,000	12,000	-
Legal and professional fees	-	41,302	41,302	36,414
Subtotal	-	60,302	60,302	45,264
Other governance costs	-	-	-	1
	-	60,302	60,302	45,265

11. Net incoming resources

This is stated after charging:

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Depreciation of tangible fixed assets:		
- owned by the charity	340,911	191,638
Auditor's remuneration	7,000	7,000
Auditor's remuneration - non-audit costs	12,000	1,850
Operating leases	10,006	8,557

12. Auditors' remuneration

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	7,000	7,000
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	12,000	1,850

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

13. Staff costs

Staff costs were as follows:

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Wages and salaries	4,644,044	2,615,272
Social security costs	356,311	204,422
Other pension costs (Note 25)	607,412	334,620
	<u>5,607,767</u>	<u>3,154,314</u>
FRS 17 adjustment	68,000	38,000
	<u><u>5,675,767</u></u>	<u><u>3,192,314</u></u>

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

	year ended 31 August 2013 No.	7 months ended 31 August 2012 No.
Teachers	86	82
Administration and support	63	63
Management	6	6
	<u>155</u>	<u>151</u>

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

	year ended 31 August 2013 No.	7 months ended 31 August 2012 No.
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1
In the band £150,001 - £160,000	1	1
In the band £150,001 - £160,000	1	0
	<u>5</u>	<u>4</u>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £50,745 (2012: £30,838).

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

14. Governors' remuneration and expenses

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
K Whittlestone (principal and trustee)	165,000-170,000	150,000-155,000 20,000-25,000

During the year, no Governors received any reimbursement of expenses (2012 - £NIL).

15. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors 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 2013 was £919 (2012 - £1,463).

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

16. Tangible fixed assets

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2012	15,569,799	78,745	211,061	15,859,605
Additions	203,435	37,195	11,017	251,647
At 31 August 2013	<u>15,773,234</u>	<u>115,940</u>	<u>222,078</u>	<u>16,111,252</u>
Depreciation				
At 1 September 2012	144,855	5,742	41,040	191,637
Charge for the year	252,393	14,493	74,025	340,911
At 31 August 2013	<u>397,248</u>	<u>20,235</u>	<u>115,065</u>	<u>532,548</u>
Net book value				
At 31 August 2013	<u>15,375,986</u>	<u>95,705</u>	<u>107,013</u>	<u>15,578,704</u>
At 31 August 2012	<u>15,424,944</u>	<u>73,003</u>	<u>170,021</u>	<u>15,667,968</u>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

17. Stocks

	2013	2012
	£	£
Finished goods and goods for resale	6,841	-

18. Debtors

	2013	2012
	£	£
Trade debtors	719	2,316
Other debtors	18,422	177,676
Prepayments and accrued income	1,818	20,642
	<u>20,959</u>	<u>200,634</u>

19. Creditors:

Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	119,860	18,841
Other taxation and social security	126,897	-
Other creditors	22,016	-
Accruals and deferred income	147,160	16,397
	<u>415,933</u>	<u>35,238</u>

Deferred income mainly consists of pupil premium and devolved formula capital funding relating to the following year.

Deferred income	£
Resources deferred during the year	<u>137,310</u>

20. Statement of funds

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
Unrestricted funds						
General Funds	712,678	24,776	(17,327)	-	-	720,127

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20. Statement of funds (continued)

Restricted funds

General annual grant (GAG)	273,824	7,332,211	(6,982,003)	(42,766)	-	581,266
LEA and other grants	-	27,241	(27,241)	-	-	-
School fund	10,218	27,465	(27,775)	8,029	-	17,937
Other restricted	-	234,025	(8,000)	(8,029)	-	217,996
Pension reserve	(1,766,000)	-	(76,000)	-	27,000	(1,815,000)
	<u>(1,481,958)</u>	<u>7,620,942</u>	<u>(7,121,019)</u>	<u>(42,766)</u>	<u>27,000</u>	<u>(997,801)</u>

Restricted fixed asset funds

DfE/EFA capital grants	201,456	208,880	(252,393)	-	-	157,943
Capital donations	15,466,511	-	-	-	-	15,466,511
Capital expenditure from GAG	-	-	(88,517)	42,766	-	(45,751)
	<u>15,667,967</u>	<u>208,880</u>	<u>(340,910)</u>	<u>42,766</u>	<u>-</u>	<u>15,578,703</u>
Total restricted funds	<u>14,186,009</u>	<u>7,829,822</u>	<u>(7,461,929)</u>	<u>-</u>	<u>27,000</u>	<u>14,580,902</u>
Total of funds	<u><u>14,898,687</u></u>	<u><u>7,854,598</u></u>	<u><u>(7,479,256)</u></u>	<u><u>-</u></u>	<u><u>27,000</u></u>	<u><u>15,301,029</u></u>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Directors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

The transfers between funds relate to the following:

- The transfer between Restricted and Restricted Fixed Asset funds relates to funds allocated from General Annual Grant to purchase fixed assets; and

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

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	712,678	24,776	(17,327)	-	-	720,127
Restricted funds	(1,481,958)	7,620,942	(7,121,019)	(42,766)	27,000	(997,801)
Restricted fixed asset funds	15,667,967	208,880	(340,910)	42,766	-	15,578,703
	<u>14,898,687</u>	<u>7,854,598</u>	<u>(7,479,256)</u>	<u>-</u>	<u>27,000</u>	<u>15,301,029</u>

21. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	7 Months Total funds 2012 £
Tangible fixed assets	-	-	15,578,704	15,578,704	15,667,967
Current assets	1,153,386	799,872	-	1,953,258	1,031,958
Creditors due within one year	(415,933)	-	-	(415,933)	(35,238)
Provisions for liabilities and charges	-	(1,815,000)	-	(1,815,000)	(1,766,000)
Difference	(17,327)	17,327	-	-	-
	<u>720,127</u>	<u>(997,801)</u>	<u>15,578,703</u>	<u>15,301,029</u>	<u>14,898,687</u>

22. Net cash flow from operations

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Net incoming resources before revaluations	375,342	15,054,687
Returns on investments and servicing of finance	-	(1,391)
Inherited defined benefit pension scheme liability	-	1,578,000
Donated assets	-	(15,658,149)
Depreciation of tangible fixed assets	340,911	191,638
Decrease/(increase) in debtors	179,675	(200,635)
Decrease/(increase) in stocks	(6,841)	-
Increase in creditors	380,695	35,238
FRS 17 adjustments	76,000	32,000
Net cash inflow from operations	<u>1,345,782</u>	<u>1,031,388</u>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

23. Analysis of cash flows for headings netted in cash flow statement

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Returns on investments and servicing of finance		
Interest received	-	1,391
	<u> </u>	<u> </u>
	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(251,647)	(201,456)
	<u> </u>	<u> </u>

24. Analysis of changes in net funds

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	831,323	1,094,135	-	1,925,458
Net funds	<u>831,323</u>	<u>1,094,135</u>	<u>-</u>	<u>1,925,458</u>

25. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Midlands Pension Fund. 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 August 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). 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

JOSEPH LECKIE ACADEMY TRUST (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

25. Pension commitments (continued)

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.

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

JOSEPH LECKIE ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

25. Pension commitments (continued)

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £234,000, of which employer's contributions totalled £172,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 20.5% for employers and 7.5% 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.

As described in note the LGPS obligation relates to the employees of the academy, 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 year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. Pension commitments (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	7.00	328,000	7.00	266,000
Bonds	3.40	65,000	2.50	45,000
Property	5.70	67,000	6.00	50,000
Other bonds	4.40	87,000	3.40	49,000
Cash	0.50	32,000	0.50	8,000
Other	7.00	195,000	7.00	73,000
Total market value of assets		774,000		491,000
Present value of scheme liabilities		(2,589,000)		(2,257,000)
(Deficit)/surplus in the scheme		(1,815,000)		(1,766,000)

The amounts recognised in the Balance Sheet are as follows:

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Present value of funded obligations	(2,589,000)	(2,257,000)
Fair value of scheme assets	774,000	491,000
Net liability	(1,815,000)	(1,766,000)

The amounts recognised in the Statement of Financial Activities are as follows:

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Current service cost	(180,000)	(90,000)
Interest on obligation	(103,000)	(52,000)
Expected return on scheme assets	35,000	14,000
Total	(248,000)	(128,000)
Actual return on scheme assets	62,000	15,000

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. Pension commitments (continued)

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

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Opening defined benefit obligation	2,257,000	-
Current service cost	180,000	90,000
Interest cost	103,000	52,000
Contributions by scheme participants	52,000	30,000
Actuarial Losses	-	157,000
Benefits paid	(3,000)	-
Inherited	-	1,928,000
	<u>2,589,000</u>	<u>2,257,000</u>
Closing defined benefit obligation	<u>2,589,000</u>	<u>2,257,000</u>

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

	year ended 31 August 2013 £	7 months ended 31 August 2012 £
Opening fair value of scheme assets	491,000	-
Expected return on assets	35,000	14,000
Actuarial gains and (losses)	27,000	1,000
Contributions by employer	172,000	96,000
Contributions by employees	52,000	30,000
Benefits paid	(3,000)	-
Inherited	-	350,000
	<u>774,000</u>	<u>491,000</u>
	<u>774,000</u>	<u>491,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £NIL (2012 - £NIL).

The academy expects to contribute £174,000 to its Defined Benefit Pension Scheme in 2014.

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

	2013	2012
Equities	42.40 %	54.40 %
Government bonds	8.40 %	9.20 %
Other bonds	11.20 %	9.90 %
Property	8.70 %	10.10 %
Cash/liquidity	4.10 %	1.60 %
Other	25.20 %	14.80 %

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2013	2012
Discount rate for scheme liabilities	4.50 %	4.30 %
Rate of increase in salaries	3.95 %	3.95 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

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

	2013	2012
Retiring today		
Males	22.1	22.0
Females	24.8	24.7
Retiring in 20 years		
Males	23.9	23.8
Females	26.7	26.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013	2012
	£	£
Defined benefit obligation	(2,589,000)	(2,257,000)
Scheme assets	774,000	491,000
Deficit	<u>(1,815,000)</u>	<u>(1,766,000)</u>
Experience adjustments on scheme liabilities	-	(157,000)
Experience adjustments on scheme assets	<u>27,000</u>	<u>1,000</u>

26. Operating lease commitments

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

	2013	2012
	£	£
Expiry date:		
Within 1 year	2,897	-
Between 2 and 5 years	<u>6,567</u>	<u>8,557</u>

JOSEPH LECKIE ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

27. Related party transactions

Owing to the nature of the academy's operations 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 a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Joseph Leckie Community Association – a charity in which there are common trustees with the Academy.

During the period, transactions totalling £71,769 (2012: £31,561) relating mainly to the recharges of staff costs, took place. The academy also received income totalling £34,155 (2012: £23,919) relating sports hall lettings and swim classes. At the period end, included in other debtors is an amount of £nil (2012: £20,694) owed by Joseph Leckie Community Association.