

Registration number: 09677480

Lever Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Hallidays
Chartered Accountants
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD



HALLIDAYS
MORE THAN JUST ACCOUNTANTS



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Lever Academy Trust

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Lever Academy Trust

Reference and Administrative Details

Members	A Connell R Gibbon (resigned 15 September 2016) J Renold J Twentyman (appointed 15 September 2016)
Trustees (Directors)	J Adamopoulos N Browne K Carter (Chair of Trust) (appointed 15 September 2016) C Fernside R Gibbon K Howell (resigned 15 September 2016) D Mckeon J Renold J Twentyman
Trust Secretary	M Kelly
Senior Leadership Team	J Adamopoulos, Operations Director S Cordwell, Assistant Principal P Davies, Vice Principal D Mckeon, Principal M Moore, Assistant Principal R Naylor, Vice Principal D Wilkes, Vice Principal R Fidler, Assistant Principal
Company Name	Lever Academy Trust
Principal and Registered Office	Lever Academy Trust Church Street Little Lever Bolton Greater Manchester BL3 1BT
Company Registration Number	09677480

Lever Academy Trust

Reference and Administrative Details (continued)

Auditors	Hallidays Chartered Accountants Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD 15 January 2016
Bankers	Lloyds Bank 9 Hotel Street Bolton BL1 1DB
Solicitors	Browne Jacobson LLP 5th Floor Tower 12 18-22 Bridge Street Spinningfields Manchester M3 3BZ

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16, serving a catchment area in South-East Bolton. It has a pupil capacity of 1,050 and had a roll of 951 in the school census on 5 October 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Lever Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lever Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with academy business. The insurance provides Governors' liability of up to £10,000,000 on any one claim and unlimited Professional indemnity.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Method of recruitment and appointment or election of Trustees

The Trustees are appointed by the following:

Parent Trustees

Parent Trustees shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the Trustees from time to time). The elected or appointed Parent Trustees must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies at the time when he is elected or appointed. [AoA 54]

Staff Trustees

Elected by staff of the Academy.

Co-opted Trustees

The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee. [AoA 58]

Trustees

The first Trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006. [AoA 48]. Future Trustees shall be appointed or elected, as the case may be, under these Articles. [AoA 49] The Members may appoint by ordinary resolution up to 4 Trustees. [AoA 50]

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. All trustees are provided with access to academy documentation on appointment. On site induction training is provided by the principal and the operations director. Ongoing training is provided through One Education governor training, Bolton Council governor services and other appropriate providers. Trustees have full access to the online service 'The Key' which provides in depth information tailored for governors.

The clerk to trust will disseminate relevant legal and educational updates termly. The trustees undertake an annual skills audit. The audit results provide a clear picture of training requirements. Appropriate internal and external training is organised to strengthen the trustees' skills.

Various trustees take the role of link governors for key areas of operation of the trust such as Pupil Premium, Teaching & Learning, Safeguarding and Curriculum. This involves liaising closely with a named member of SLT to develop an in-depth knowledge and understanding of the operations of the Academy within their area.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

The training and induction provided for new trustees will depend on their existing experience. All trustees are provided with access to academy documentation on appointment. On site induction training is provided by the principal, the Chair of the Trust and the operations director. Ongoing training is provided through One Education governor training, Bolton Council governor services and other appropriate providers. Trustees have full access to the online services 'The Key for Governors' and the 'National Governors Association' which provide in depth information tailored for governors.

The clerk to trust will disseminate relevant legal and educational updates termly. The trustees undertake an annual skills audit. The audit results provide a clear picture of training requirements. Appropriate internal and external training is organised to strengthen the trustees' skills.

Various trustees take roles as 'link governors' for key areas of operation of the trust such as Pupil Premium, Teaching & Learning, Safeguarding and Curriculum. This involves liaising closely with a named member of SLT to develop an in-depth knowledge and understanding of the operations of the Academy within their area.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Organisational structure

The trust is governed by the Board of Trustees, whose members are directors of the charitable company for the purposes of the Companies Act 2006, trustees for the purposes of charity legislation and governors of the academy. The organisational structure of the trust consists of five levels: the Members, the Board of Trustees, the Local Governing Body, the Principal and the SLT. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members overseeing the achievement of the objectives of the company, take part in annual and extraordinary general meetings, appointing some of the trustees, signing off the company's financial accounts and annual report, have the power to amend the Articles of the company and, ultimately, to remove the trustees.

The Board of Trustees is responsible for setting key policies, adopting a school development plan, approving and monitoring the budget, monitoring the academy's performance, making major policy decisions, appointing senior staff, and making major decisions about the direction of the trust.

The Principal is also the Accounting Officer. The Accounting Officer has the responsibility for financial and administrative matters and is personally responsible to the Board of Trustees for Regularity (dealing with all items of income and expenditure in accordance with legislation and any applicable delegated authority), Propriety (operating appropriate standards of conduct, behaviour and corporate governance including fairness, integrity, avoidance of conflict of interest, even-handedness and open competition) and Value for Money (efficient and effective use of available resources, avoidance of waste and extravagance, prudent and economical administration of the financial affairs of the academy including the day to day organisation, staffing and management of the academy).

The Operations Director, also the Chief Financial Officer, is member of the senior management team responsible for the maintenance of effective systems of internal financial control including the development of appropriate financial regulations to control, disburse and monitor academy funds, and liaison with budget holders to ensure compliance; the establishment, operation and security of a suitable computerised accounting system; the day to day management of financial processes including the buying and ordering of academy supplies and services to ensure value for money is achieved; the management of the academy's financial position at a strategic and operational level, including the development of an annual budget and forecasts for future years as part of the academy's three year plan; preparation of appropriate management information, including monthly accounts of budgeted and actual expenditure and briefings for trustees and the senior team; the submission of budget returns and other financial documents to the DFE in line with the Department's timetable; planning and monitoring of the academy's cash flow including policies for monitoring creditors and debtors; business planning to identify and maximise potential sources of income from local and national government initiatives and from the academy's own activities etc; management of the academy's capital assets including rolling replacement programmes as part of the budget setting process; ensuring that annual accounts are properly presented and adequately supported by the underlying books and records of the academy, including planning of statutory audits and progression of any audit recommendations; ensuring an effective payroll system is operated in compliance with relevant legislation and that all external returns are submitted on time; ensuring adequate insurance cover is maintained; overseeing and/or collaborating with other non-teaching areas including HR, admin, facilities management, ICT and catering; authorising orders up to a level set by the Trust, in conjunction with budget holders; signing cheques in conjunction with the Principal or other authorised signatory.

The Senior Leadership Team consists of the Principal, three Vice Principals, three Assistant Principals and one Operations Director. This team controls the Academy at an executive and operational level, implementing the policies laid down by the Trustees and report back to them. As per the scheme of delegation, the Principal and Operations Director are responsible for the authorisation of spending within agreed budgets. Set limits and separation of duties control the exposure to risk. Members of the team are also responsible for the recruitment process.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust has adopted a suitably modified Bolton Council policy for setting and reviewing pay. The policy adopts the national terms and conditions for teachers (STPCD) and predominantly follows the Local Authority policy for support staff pay and conditions. Therefore, the Trust pay scales are based upon National Pay Scales for teachers and Local Pay scales for support staff. The Trust has a process of annual performance review, appraisal, for all staff. Pay progression is linked to the outcome of the appraisals for teaching staff. Pay progression for support staff follows the Local Authority guidelines. The Principal's performance is assessed by two nominated trustees and the school's improvement partner. They evaluate the Principal's performance against the objectives set for that period. The Principal's pay is directly linked to the outcome of this evaluation. The recommendations are subject to approval by the Board of Trustees. A similar process is followed for key staff. The Principal evaluates the performance of the Vice Principals and the Operations Director and recommends what, if any, pay award will be made. The academy has a clear appraisals structure identifying the appraisers and appraisees. This process is followed for all staff, SLT, teachers and support staff. The outcomes of these evaluations are reported back to the Board of Trustees through the Pay Committee.

Related Parties and other Connected Charities and Organisations

The Trust is connected to the Little Lever Trust Fund (1060266 England and Wales) charity. Its charitable objective is to advance the education of the pupils at Little Lever School. The charity is governed by three trustees who are staff and/or governors of Little Lever School. The Board of Trustees of Lever Academy Trust has no direct control of the operation and the management of this charity. The Little Lever Trust Fund has now closed and the funds donated to the Lever Academy Trust.

Objectives and activities

Objects and aims

The Trust's objectives are to advance the public benefit education in local area, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; to promote for the benefit of the inhabitants of the areas in which the Academies are situated 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.

The Trust has adopted the Articles of Association the charitable company approved by the Secretary of State for Education. The operation of the Trust is in accordance with the ESFA Master and Supplemental Funding Agreements and the Trust's Scheme of Delegation.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Objectives, strategies and activities

The Trust purpose and values are a culmination of the thoughts and beliefs of the whole community; our trustees, staff, students and parents / carers. Our core purpose is:

“To help every person achieve things they never thought they could”

As an academy we help our students to realise what they can really achieve. We provide aspiration through stimulating lessons that challenge students to think and enquire.

Our core values are:

- Respect individuals
- Be proud of what we do and what we achieve
- Focus on people... we can stand as equals among any social circle
- Encourage creativity and collaboration
- EXPECT EXCELLENCE... NO EXCUSES

Our values permeate throughout the Trust. Everything we do revolves around our core purpose and values.

The main objectives of the Academy during the year ended 31 August 2017 are summarised below:

1. Ensure the percentage of students achieving 4+ in English and maths and the overall Progress 8 score for the school is in line with the national average.
2. Improve the quality of teaching in order to raise achievement of all groups of students.
3. Improve the impact of leadership and management at all levels, including governors.
4. Implement strategies to improve attendance so that it is at least in line with the national average.

Public benefit

The trust has complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In addition to the education of students on roll, the trust operates a sports centre for the benefit of the students and local community.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Strategic Report

Achievements and performance

Key non-financial performance indicators

Key Stage 4:

56% of students achieved Grade 4+ including English and mathematics.

26% of students achieved Grade 5+ including English and mathematics

Overall P8 score was -0.34

4% of students achieved the Ebacc at Grade 5+ /C (only 14% were entered)

6% of students achieved the Ebacc at Grade 4+/C

Attainment 8 is 39.67

Attendance:

For the year 2016/17 was 95%.

Admissions:

The Academy has been oversubscribed for the last 2 years

Finance:

The Academy continues to project a cash budget surplus into the next three years. An operating deficit is expected for the first 2 years which will be covered by existing surpluses.

The percentage of students attaining English and maths at Grade 4+ in 2017 increased when compared with the previous year. The overall Progress 8 score of the academy was -0.34 (-0.31 FFT Aspire) which is below the national average. The Academy's current OfSTED judgement is Good and the academy has been oversubscribed for the last 2 years. Student's attainment and progress in English (best of literature and language) and maths increased in 2017 when compared with the previous year. The quality of teaching continues to improve with a relentless approach to ensuring every child has a 'Good' teacher. There are still some groups of students who are not making the progress they should. The new robust systems to monitor and improve the quality of teaching have started embedding, producing positive results.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Strategic Report

Going concern

Little Lever School converted to Academy and founded Lever Academy Trust in December 2015. The school was judged Good at the last OfSTED inspection in 2012. The trust is continuing to be financially stable and expects to remain in surplus for the foreseeable future. The trust has started employing curriculum led financial planning (CLFP) to oversee curriculum structures, capacity and budgets. CLFP works in conjunction with regular financial checks and a continuously updated 4 year forecast.

The trust has accumulated a real operational surplus (before accounting adjustments) of £250,784 as at 31st August 2017. This figure includes £105,296 transferred in year from the School Trust Fund and the School Fund Account. The Academy will use its accumulated surplus to drive up standards and attendance. The trust expects pupil intake numbers to remain stable for the foreseeable future. As part of the trust's on-going activities it will review its curriculum and staffing structures in light of pupil numbers to ensure the best possible outcome for pupils. The trust will ensure that it provides for the needs of all pupils and staff to ensure all pupils reach their full potential. The current level of surplus together with the projected income will enable the trust to undertake its prime objective of maximising pupil outcomes without any financial hindrance.

The trust has a cumulative operational surplus of £425,254. The projected students' intake for the foreseeable future remains static. The trust anticipates its income will remain constant throughout the next few years as its costs increase due to cost of living and salary scale increases. The trust has financial plans in place to address this issue and it is forecasting to retain a cumulative surplus. The trust continuously reviews its students' intake, curriculum structure, SEN needs and staffing structure to ensure the best possible outcomes for all students. The full impact of changes to the National Funding Formula is not yet fully known, however the Academy continues to take a cautious approach to its future income streams and anticipates its underlying income per pupil could fall.

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

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Strategic Report

Financial review

The Trust's total incoming resources during the year were £5,883,456. This is split as follow:

Revenue Income (Restricted and Unrestricted) £5,648,199

Capital Income £235,257

The majority of the trust's operating income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the trust's educational operations in the year was £5,648,199 and further details are provided in the notes to the accounts.

Total outgoing resources for the year were £5,808,710 and the majority of the resources expended relate to the direct provision of educational operations of £5,509,045 (£5,228,099 ignoring pension and capital transfers).

At the year end the trust's total reserves were £6,422,856 split between:

Unrestricted Reserves £319,958

Unrestricted Trust/School Fund Reserve £105,296

Restricted Pension Fund £(1,337,000)

Restricted Fixed Assets £7,334,602

The trust does not have an obligation to settle the full liability of the Local Government Pension Fund immediately and there are no indications that it will crystallise in the foreseeable future.

At 31 August 2017 all assets shown in the accounts were used in line with the aims and objectives of the trust as indicated in the articles of association.

Reserves policy

The Trustees review the level of reserves on a termly basis and have agreed to a break-even point of the trust's in year annual budget for GAG income. This reserve level will be reviewed annually. At 31 August 2017, the trust had a balance on its Unrestricted and Restricted GAG Funds, available for educational and general purposes, of £425,254. The school intends to maintain this level of reserve to provide an element of security against the uncertainty of future funding.

Investment policy

All investments are agreed by the Board of Trustees, which has regard to the Charity Commission guidance in relation to charity investment policy. The trust understands the need to ensure all funds invested are safe and risk free. The trustees have adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always access to sufficient cash to meet short and medium term requirements. Trustees will further investigate alternative accounts from 30 day notice account to 1 year fixed term account and the interest rates these accounts attract in respect to accounting flexibility and rewards.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Strategic Report

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to teaching, health and safety, child protection, finances and facilities management. These risks are reviewed on an on-going basis by the Senior Leadership Team. These risks are formally reviewed by the Responsible Officer and trustees termly. A number of operational and financial systems and procedures have been implemented in order to minimise specific risks. A risk register has been developed which identifies the potential impact of said risk and actions undertaken to mitigate the risk.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy manual of financial procedures. The systems are based on a framework of segregation of duties and scheme of delegation which include authorisation and approval. Financial management information is provided to the Principal on a regular basis and the Board of Trustees on a termly basis.

The responsible officer role has been performed during the year by Mr J Akinyemi who undertook two operational systems and controls audit and reviews the risk register. A comprehensive and intensive audit check was carried out in August and September 2017 by Hallidays LLP. A report was presented to the Board of Trustees on the results. No major issues have been identified.

The main risks identified by the Board of Trustees for the year ending 31st August 2017 are:

1. Finances – The academy has used 2016-17 to introduce a staffing structure that reflects the changing curriculum needs and direction of the school in order to raise student achievement. The academy aims to build capacity for leadership development of the curriculum across the whole school with both middle and senior leaders working collaboratively. Develop a school leadership and management model which supports high quality distributed leadership while ensuring equity and parity of posts across the school.
2. Pupil numbers – Following a number of years with falling pupil population in the geographic area, the academy is now on its third year with a full Year 7 intake. The trust is considering plans to increase the current PAN from 210 to 240.
3. Educational outcomes – There is a whole school focus on improvement. The academy has new core purpose and values developed in a collaborative effort among all stakeholders. There is an in-depth structural review supported by robust policies, processes and quality assurance plans. The Board of Trustees is led by an experienced National Leader of Governance as Chair of Trust. Governance has been strengthened with new key appointments in finance and teaching.
4. Land – The trust is mindful of the extensive investigation report produced by the LK Group and Sykes LLP. The trust has followed all recommendations and has procured an insurance policy. The trust is committed to review the risk annually.

Plans for future periods

Lever Academy Trust will continue to work to enhance the educational outcomes of students. Delivering the core purpose of 'helping every student achieve things they never thought they could' and improving the life chances of the students is central to the strategic direction of the academy. The academy sees learning as the most important thing it does and will focus relentlessly on classroom practice to ensure every student has a great teacher. As a result, we will ensure our outcomes in English and maths continue to rise and our Progress 8 score is significantly positive. The academy will also focus sharply on narrowing the gap in achievement between identified cohorts. In parallel the trust is investigating opportunities to extend the number of academies.

Lever Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Funds held as Custodian Trustee on behalf of others

The Academy does not hold funds as Custodian on behalf of others.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Hallidays have expressed their willingness to remain in office as auditors to the trust.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 18 December 2017 and signed on its behalf by:

.....
K Carter (Chair of Trust)
Trustee

Lever Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lever 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 Lever Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times from 1 September 2016 to 31 August 2017. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Carter (Chair of Trust)	4	6
R Gibbon	3	6
J Renold	5	6
D Mckeon	6	6
J Adamopoulos	5	6
N Browne	6	6
A Connell	5	6
K Cotterill	2	6
C Fernside	6	6
N Powell	2	4
J Twentyman	5	6

Please note that the Local Governing Body governors attend the board of trustees' meetings unless otherwise directed.

The Leadership Committee (renamed to Resources Committee) is a sub-committee comprised of trustees and local governing body governors. Its purpose is to advise the Principal and the Trustees on matters relating to the finances, human resources, health and safety and premises. Attendance at meetings in the year was as follows:

Lever Academy Trust
Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
K Carter (Chair of Trust)	1	2
J Renold	1	2
D Mckeon	2	2
J Adamopoulos	2	2
K Cotterill	1	2
R Gibbon	2	2
J Twentyman	2	2

The Achievement, Teaching and Learning and Curriculum Committee is a sub-committee comprised of trustees and local governing body governors. Its purpose is to review and advise the Principal and trustees in educational matters. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Carter (Chair of Trust)	0	1
J Renold	1	1
D Mckeon	1	1
N Browne	0	1
A Connell	1	1
C Fernside	0	1
N Powell	0	1
J Twentyman	1	1

The use of sub-committees was deemed ineffective as the same agenda items were seen by the same set of governors twice, as part of the sub-committee and as part of the full trust board. Trustees agreed to double their formal meetings to 6, one every half term, giving them the opportunity to focus on different agendas on each meeting. The Trust Board meets 3 times with focus on education, welfare, SEN and community under the overall title Standards and a further 3 times with focus on finances, human resources, health and safety and premises with the overall title Resources.

Governance reviews

The trustees acknowledge their responsibility to ensure the trust has an effective system to evaluate and monitor the trustees' governance. This includes:

- annual Financial Management and Governance Self-assessment
- annual skills evaluation
- annual training programme

The trustees also engage a professional Clerk and an experienced Responsible Officer to check and validate the trustees are conforming to all their legal obligations. All trustees are aware of the seven principles of public life.

Lever Academy Trust

Governance Statement (continued)

Review of value for money

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

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

At least twice a year review the organisation's structure. This is done taking into account:

- Pupil numbers
- Curriculum requirements/Curriculum map/
- SEN requirements
- Attendance
- Behaviour
- Pupil progress/attainment
- Pupil Premium and closing the gap
- Number of teachers
- SLT/TLR's
- Educational support staff
- Other support staff
- Impact of all resources

If necessary the organisation is restructured to achieve its objectives and purpose.

- All decisions take into account the best value principles of economy, efficiency, and effectiveness
- The trust uses a debit card to benefit from online purchasing, while taking in to account the safety and reputation of the retailer such as Amazon, ASDA and Argos.
- The trust uses collaborative purchasing with either local schools or nationally tendered contracts.
- All consumables orders are finalised by finance staff who seek best value by directing orders to the most appropriate supplier. Service level agreements are annually reviewed and compared with current market trends.
- Use of supply staff has been significantly reduced with the introduction of clear guidelines and an approval team comprised of admin, finance and senior leadership staff.
- The principal and the board of trustees regularly review forecasts and staffing requirements. The senior management team receive regular budgetary updates allowing for fully informed management decisions.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lever Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Lever Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year to 31 August 2017 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure 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 and introduction of Curriculum led Financial Planning

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed John Akinyemi, an experienced qualified accountant, to carry out a programme of internal checks in the role of Responsible Officer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of bank and cash systems including bank reconciliation, reviewing cashbook documentation, petty cash and debit card
- testing of purchase system and expenses including checking of documentation for correct authorisation, correct use of Civica, creditor payments, expense claims and contracts/SLAs
- testing of income including the receipting of income to correct nominals and debtors
- testing of payroll system including agreeing salaries to personnel records, amendments to payroll and that correct payments have been made including additional payments such as lunch duty
- Testing of nominal ledger including review of trial balance and review of journals posted to Civica
- Testing of system controls such as passwords for software, back up processes, segregation of duties, retention of documents, pupil premium information published on website, budget approval, insurance arrangements in place and understanding of related party transactions guidance
- Check list and review of a variety of documentation and protocols such as Governor minutes, terms of reference, value for money, completion of accounts and returns, asset register, VAT, PAYE, risk register, register of business interests, audit plan and FMGS. This list is not exhaustive

On an annual basis, the reviewer reports to the Board of Trustees through the Resources focused full trust meetings on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There have been no serious areas of concern identified as a result of the work carried out by the reviewer. The reviewer found that the controls upon which the Academy relies to manage its financial affairs (covering the areas above) are suitably designed, consistently applied and effective.

Lever Academy Trust
Governance Statement (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the above and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2017 and signed on its behalf by:

Signed:.....
Karina Carter
Chair of Trust

Signed:.....
Dominic Mckean
Principal & Accounting Officer

Lever Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Lever Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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

Approved by order of the members of the Board of Trustees on and signed on its behalf by:

Signed:.....
Dominic Mckean
Accounting Officer

Lever Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 18 December 2017 and signed on its behalf by:

.....
K Carter (Chair of Trust)
Trustee

Lever Academy Trust

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

Opinion

We have audited the financial statements of Lever Academy Trust (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Lever Academy Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Lever Academy Trust

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

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

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

.....
Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Chartered Accountants
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date:.....

Lever Academy Trust

Independent Reporting Accountant's Report on Regularity to Lever Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 January 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lever Academy Trust during the period 1 September 2016 to 31 August 2017 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 Lever Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Lever Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lever Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 30 November 2015 and the Academies Financial Handbook extant from 1 September 2015, 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 2016 to 2017. 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 from 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

Lever Academy Trust

Independent Reporting Accountant's Report on Regularity to Lever Academy Trust and the Education and Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

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 from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Hallidays

Chartered Accountants
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date:.....

Lever Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2017 £	
Income and endowments from:						
Donations and capital grants	2	105,688	3,560	-	235,257	344,505
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,425,506	-	-	5,425,506
Other trading activities	4	110,964	1,819	-	-	112,783
Investments	5	662	-	-	-	662
Total		<u>217,314</u>	<u>5,430,885</u>	<u>-</u>	<u>235,257</u>	<u>5,883,456</u>
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	<u>67,018</u>	<u>5,331,027</u>	<u>111,000</u>	<u>299,665</u>	<u>5,808,710</u>
Net income/(expenditure)		150,296	99,858	(111,000)	(64,408)	74,746
Transfers between funds		(45,000)	(124,946)	-	169,946	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>-</u>	<u>295,000</u>	<u>-</u>	<u>295,000</u>
Net movement in funds/(deficit)		105,296	(25,088)	184,000	105,538	369,746
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2016		<u>319,958</u>	<u>25,088</u>	<u>(1,521,000)</u>	<u>7,229,064</u>	<u>6,053,110</u>
Total funds/(deficit) carried forward at 31 August 2017		<u><u>425,254</u></u>	<u><u>-</u></u>	<u><u>(1,337,000)</u></u>	<u><u>7,334,602</u></u>	<u><u>6,422,856</u></u>

Lever Academy Trust

Statement of Financial Activities for the Period from 8 July 2015 to 31 August 2016 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	9 Months Total 2016 £
Income and endowments from:					
Voluntary income					
Donations and capital grants					
2	-	50	-	18,698	18,748
Transfer from local authority on conversion					
	262,185	-	(816,000)	7,430,779	6,876,964
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations					
3	-	3,912,376	-	-	3,912,376
Other trading activities					
4	66,368	10,065	-	-	76,433
Investments					
5	442	-	-	-	442
Total					
	328,995	3,922,491	(816,000)	7,449,477	10,884,963
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations					
7	9,037	3,897,403	14,000	220,413	4,140,853
Net income/(expenditure)					
	319,958	25,088	(830,000)	7,229,064	6,744,110
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes					
23	-	-	(691,000)	-	(691,000)
Net movement in funds/(deficit)					
	319,958	25,088	(1,521,000)	7,229,064	6,053,110
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2016					
	319,958	25,088	(1,521,000)	7,229,064	6,053,110

Lever Academy Trust
(Registration number: 09677480)
Balance Sheet as at 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
Fixed assets			
Tangible assets	12	6,905,615	7,080,335
Current assets			
Debtors	13	163,862	128,931
Cash at bank and in hand		<u>1,089,605</u>	<u>924,546</u>
		1,253,467	1,053,477
Creditors: Amounts falling due within one year	14	<u>(399,226)</u>	<u>(559,702)</u>
Net current assets		<u>854,241</u>	<u>493,775</u>
Total assets less current liabilities		<u>7,759,856</u>	<u>7,574,110</u>
Net assets excluding pension liability		7,759,856	7,574,110
Pension scheme liability	23	<u>(1,337,000)</u>	<u>(1,521,000)</u>
Net assets including pension liability		<u><u>6,422,856</u></u>	<u><u>6,053,110</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	25,088
Restricted fixed asset fund		7,334,602	7,229,064
Restricted pension fund		<u>(1,337,000)</u>	<u>(1,521,000)</u>
		5,997,602	5,733,152
Unrestricted funds			
Unrestricted general fund		<u>425,254</u>	<u>319,958</u>
Total funds		<u><u>6,422,856</u></u>	<u><u>6,053,110</u></u>

The financial statements on pages 26 to 49 were approved by the Trustees, and authorised for issue on 18 December 2017 and signed on their behalf by:

Signed:.....
 Jasmin Renold
 Vice Chair

Signed:.....
 Dominic McKeon
 Principal & Accounting Officer

Lever Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	54,085	513,190
Cash transferred on conversion to an academy trust			
Cash transferred on conversion to an academy trust		-	399,616
Cash flows from investing activities	20	110,974	11,740
Change in cash and cash equivalents in the year		165,059	924,546
Cash and cash equivalents at 1 September		924,546	-
Cash and cash equivalents at 31 August	21	1,089,605	924,546

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

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

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

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Donated fixed assets

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

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more in value or those that are deemed to be desirable are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Leasehold buildings	Straight line 2-4%
Leasehold land	Straight line 125 years
Fixtures, fittings and equipment	Straight line 20%
ICT hardware	Straight line 25%

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

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.

Liabilities

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

Provisions

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

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

Leased assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 31 August 2016 £
Other voluntary income					
Capital grants	-	-	235,257	235,257	18,698
Other donations	105,688	3,560	-	109,248	50
	<u>105,688</u>	<u>3,560</u>	<u>235,257</u>	<u>344,505</u>	<u>18,748</u>

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2017 £	Total 31 August 2016 £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	4,734,795	4,734,795	3,513,119
Other DfE/EFA grants	316,646	316,646	252,577
Start up grant	-	-	25,000
	5,051,441	5,051,441	3,790,696
Other government grants			
Local authority grants	123,153	123,153	9,533
Special educational projects	117,256	117,256	81,982
	240,409	240,409	91,515
Non-government grants and other income			
Other income form the academy trust's educational operations	133,656	133,656	25,165
Other non government grants	-	-	5,000
	133,656	133,656	30,165
Total grants	5,425,506	5,425,506	3,912,376

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 31 August 2016 £
Hire of facilities	101,399	-	101,399	63,103
Other sales	9,565	1,819	11,384	13,330
	110,964	1,819	112,783	76,433

5 Investment income

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

5 Investment income (continued)

	Unrestricted funds	Total 2017	Total 31 August 2016
	£	£	£
Interest Received	662	662	442

6 Expenditure

Non Pay Expenditure

	Staff costs	Premises	Other costs	Total 2017	Total 31 August 2016
	£	£	£	£	£
Academy's educational operations					
Direct costs	3,661,950	277,971	445,776	4,385,697	3,090,992
Allocated support costs	638,794	494,448	289,771	1,423,013	1,049,861
	4,300,744	772,419	735,547	5,808,710	4,140,853

Net income/(expenditure) for the year includes:

	31 August 2017	31 August 2016
	£	£
Operating leases - other leases	21,060	15,795
Fees payable to auditor - audit	6,750	6,750
- other audit services	3,250	4,250
Depreciation	299,665	220,413

Included within expenditure are the following transactions.

	Total £	Individual items	
		Amount £	Reason/nature
Ex-gratia payments	3,554	-	N/A

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2016, being delegated authority or approval from the Education and Skills Funding Agency.

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

7 Charitable activities

	Total 2017 £	Total 31 August 2016 £
Direct costs - educational operations	4,385,697	3,090,992
Support costs - educational operations	1,423,013	1,049,861
	5,808,710	4,140,853

	Educational operations £	Total 2017 £	Total 31 August 2016 £
Analysis of support costs			
Support staff costs	638,794	638,794	408,437
Depreciation	21,694	21,694	29,612
Technology costs	38,513	38,513	42,659
Premises costs	472,754	472,754	350,129
Other support costs	250,474	250,474	201,730
Governance costs	784	784	17,294
Total support costs	1,423,013	1,423,013	1,049,861

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff

Staff costs

	2017 £	31 August 2016 £
Staff costs during the year were:		
Wages and salaries	3,256,738	2,347,106
Social security costs	332,511	212,741
Pension costs	615,182	410,504
	4,204,431	2,970,351
Supply teacher costs	92,759	48,572
Staff restructuring costs	3,554	21,236
	4,300,744	3,040,159
	2017 £	31 August 2016 £
Staff restructuring costs comprise:		
Redundancy payments	-	7,236
Severance payments	3,554	14,000
	3,554	21,236

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,554 (2016: £14,000). Individually, the payments were:

Non-contractual payments £3,554

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff (continued)

Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	31 August 2017 No	31 August 2016 No
Teachers	53	54
Administration and support	46	44
Management	7	6
	<u>106</u>	<u>104</u>

Higher paid staff

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

	31 August 2017 No	31 August 2016 No
£60,001 - £70,000	3	4
£80,001 - £90,000	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £551,353 (2016: £359,000).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits for the 9 months ending 31 August 2016 was as follows:

D Mckeon (Headteacher):

Remuneration: £80,000 - £85,000 (2016 - £45,000 - £50,000)

Employer's pension contributions: £0 - £5,000 (2016 - £5,000 - £10,000)

J Adamopoulos (Head of Operations):

Remuneration: £50,000 - £55,000 (2016 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £5,000 - £10,000)

C Fernside (SENCO):

Remuneration: £45,000 - £50,000 (2016 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

J Adamopoulos receives remuneration for his role as Head of Operations along side his role overseeing the Sports Centre.

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

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

11 Connected charities

Little Lever School Trust Fund is a connected charity and it is related to the academy as follows: Little Lever School Trust Fund is a registered connected charity - charity reference number 1060266 whose charitable objects are for the advancement of the education of the pupils of Lever Academy Trust

- The aggregate amount of the entity's assets is £Nil
- The aggregate amount of the entity's liabilities is £Nil
- The aggregate amount of the entity's funds is £Nil
- The total turnover of the entity is £2
- The total expenditure of the entity is £87,851
- Profit for the year is £2

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost				
At 1 September 2016	7,226,000	30,613	44,135	7,300,748
Additions	<u>21,314</u>	<u>21,239</u>	<u>82,392</u>	<u>124,945</u>
At 31 August 2017	<u>7,247,314</u>	<u>51,852</u>	<u>126,527</u>	<u>7,425,693</u>
Depreciation				
At 1 September 2016	208,428	4,592	7,393	220,413
Charge for the year	<u>277,971</u>	<u>8,170</u>	<u>13,524</u>	<u>299,665</u>
At 31 August 2017	<u>486,399</u>	<u>12,762</u>	<u>20,917</u>	<u>520,078</u>
Net book value				
At 31 August 2017	<u><u>6,760,915</u></u>	<u><u>39,090</u></u>	<u><u>105,610</u></u>	<u><u>6,905,615</u></u>
At 31 August 2016	<u><u>7,017,572</u></u>	<u><u>26,021</u></u>	<u><u>36,742</u></u>	<u><u>7,080,335</u></u>

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

13 Debtors

	31 August 2017	31 August 2016
	£	£
VAT recoverable	60,266	28,150
Prepayments	35,989	13,014
Accrued grant and other income	67,607	87,767
	<u>163,862</u>	<u>128,931</u>

14 Creditors: amounts falling due within one year

	31 August 2017	31 August 2016
	£	£
Trade creditors	201,971	141,715
Accruals	177,675	417,987
Deferred income	19,580	-
	<u>399,226</u>	<u>559,702</u>
		31 August 2017
		£
Deferred income		
Resources deferred in the period		<u>19,580</u>

Deferred income is in respect of Local Authority insurance funding covering 3 years.

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

15 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	25,088	4,734,793	(4,634,936)	(124,945)	-
Other Dfe/EFA grants	-	316,646	(316,646)	-	-
Local authority grants	-	123,153	(123,153)	-	-
Special educational projects	-	117,256	(117,256)	-	-
Other income from the academy trusts operations	-	133,656	(133,656)	-	-
Donations	-	3,560	(3,560)	-	-
Other trading activities	-	1,820	(1,820)	-	-
	<u>25,088</u>	<u>5,430,884</u>	<u>(5,331,027)</u>	<u>(124,945)</u>	<u>-</u>
Restricted fixed asset funds					
Fixed assets owned by academy	7,072,935	-	(299,665)	132,345	6,905,615
DfE/EFA Capital Grants DFC	18,698	19,069	-	-	37,767
Capital fund transferred on conversion	137,431	-	-	(7,400)	130,031
3G Pitch replacement fund	-	-	-	45,000	45,000
CIF Funding - Roofworks	-	216,189	-	-	216,189
	<u>7,229,064</u>	<u>235,258</u>	<u>(299,665)</u>	<u>169,945</u>	<u>7,334,602</u>
Restricted pension funds					
Restricted Pension fund	<u>(1,521,000)</u>	-	<u>(111,000)</u>	<u>295,000</u>	<u>(1,337,000)</u>
Total restricted funds	<u>5,733,152</u>	<u>5,666,142</u>	<u>(5,741,692)</u>	<u>340,000</u>	<u>5,997,602</u>
Unrestricted funds					
Sports centre	57,331	110,964	(67,018)	(45,000)	56,277
Surplus on Conversion	262,185	-	-	-	262,185
School Trust Fund	-	105,688	-	-	105,688
Interest	442	662	-	-	1,104
Total unrestricted funds	<u>319,958</u>	<u>217,314</u>	<u>(67,018)</u>	<u>(45,000)</u>	<u>425,254</u>
Total funds	<u>6,053,110</u>	<u>5,883,456</u>	<u>(5,808,710)</u>	<u>295,000</u>	<u>6,422,856</u>

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

15 Funds (continued)

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

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

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

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

16 Analysis of net assets between funds

Fund balances at 31 August 2017 represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	6,905,615	6,905,615
Current assets	425,254	399,226	428,987	1,253,467
Current liabilities	-	(399,226)	-	(399,226)
Pension scheme liability	-	(1,337,000)	-	(1,337,000)
Total net assets	425,254	(1,337,000)	7,334,602	6,422,856

17 Capital commitments

	31 August 2017 £
Contracted for, but not provided in the financial statements	214,323

18 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	31 August 2017 £	31 August 2016 £
Amounts due within one year	7,020	7,020
Amounts due between one and five years	-	7,020
	7,020	14,040

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2017	31 August 2016
	£	£
Net income	74,746	6,744,110
Depreciation	299,665	220,413
Capital grants from DfE and other capital income	(235,257)	(7,312,046)
Interest receivable	(662)	(442)
Defined benefit pension scheme obligation inherited	-	816,000
Defined benefit pension scheme cost less contributions payable	78,000	(9,000)
Defined benefit pension scheme finance cost	33,000	23,000
Increase in debtors	(34,931)	(128,931)
(Decrease)/increase in creditors	(160,476)	559,702
Cash transferred on conversion to an academy trust	-	(399,616)
Net cash provided by Operating Activities	<u>54,085</u>	<u>513,190</u>

20 Cash flows from investing activities

	31 August 2017	31 August 2016
	£	£
Dividends, interest and rents from investments	662	442
Purchase of tangible fixed assets	(124,945)	(7,400)
Capital funding received from sponsors and others	<u>235,257</u>	<u>18,698</u>
Net cash provided by investing activities	<u>110,974</u>	<u>11,740</u>

21 Analysis of cash and cash equivalents

	At 31 August 2017	At 31 August 2016
	£	£
Cash at bank and in hand	<u>1,089,605</u>	<u>924,546</u>
Total cash and cash equivalents	<u>1,089,605</u>	<u>924,546</u>

22 Members' liability

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

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £280,699 (2016: £292,504).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £224,000 (2016 - £158,000), of which employer's contributions totalled £180,000 (2016 - £127,000) and employees' contributions totalled £44,000 (2016 - £31,000). The agreed contribution rates for future years are 24.8 per cent for employers and between 5.5 and 8.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	3.20	3.40
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	<u>2.50</u>	<u>2.10</u>

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males retiring today	21.50	21.40
Females retiring today	24.10	24.00
Retiring in 20 years		
Males retiring in 20 years	23.70	24.00
Females retiring in 20 years	<u>26.20</u>	<u>26.60</u>

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2017	At 31 August 2016
	£	£
Discount rate -0.5%	380,000.00	385,000.00
Salary increase rate +0.5%	109,000.00	164,000.00
Pension increase rate +0.5%	<u>262,000.00</u>	<u>208,000.00</u>

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017	At 31 August 2016
	£	£
Equities	1,011,000	765,360
Corporate bonds	221,000	180,710
Property	83,000	63,780
Cash and other liquid assets	<u>69,000</u>	<u>53,150</u>
Total market value of assets	<u>1,384,000</u>	<u>1,063,000</u>

The actual return on scheme assets was £91,000 (2016 - £111,000).

Lever Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2017	31 August 2016
	£	£
Current service cost	78,000	9,000
Net interest costs	33,000	46,000
	<u>111,000</u>	<u>55,000</u>

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

	31 August 2017	31 August 2016
	£	£
At start of period	2,584,000	-
Conversion of academy trusts	-	1,586,000
Current service cost	258,000	118,000
Interest cost	57,000	47,000
Employee contributions	44,000	31,000
Actuarial (gains)/losses	(204,000)	802,000
Benefits paid	(18,000)	-
	<u>2,721,000</u>	<u>2,584,000</u>

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

	31 August 2017	31 August 2016
	£	£
At start of period	1,063,000	-
Conversion of academy trusts	-	770,000
Interest income	24,000	24,000
Actuarial gains/(losses)	91,000	111,000
Employer contributions	180,000	127,000
Employee contributions	44,000	31,000
Benefits paid	(18,000)	-
	<u>1,384,000</u>	<u>1,063,000</u>

24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.