

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the Year Ended 31 August 2015

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LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

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LONDON ACADEMIES ENTERPRISE TRUST
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Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Trustees

I Foster, Chair of Trustees
I Comfort, Chief Executive
S Leverett, Trustee (resigned 6 July 2015)
J Deslandes, Trustee
M Walker, Trustee

Members

Academies Enterprise Trust
I Foster

Company registered number

7211219

Principal and registered office

Kilnfield House, Station Approach, Hockley, Essex, SS5 4HS

Chief executive officer

I Comfort

Senior management team

I Comfort, Group Chief Executive
I Deans, Group Finance Director (resigned August 2015)
R Bassett, Regional Director
K Pansh, HR Director

Independent auditors

Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH

Bankers

HSBC plc, 60 Queen Victoria Street, London, EC4N 4TR

Solicitors

Mills & Reeve LLP, Botanic House, 100 Hills Road, Cambridge, CB2 1PH

Internal Auditors

RSM, 25 Farringdon St, London, EC4A 4AB

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of London Academies Enterprise Trust (the academy) for the year ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust is the proprietor of 4 secondary academies in London.

Structure, governance and management

a CONSTITUTION

London Academies Enterprise Trust ("the Trust") is a company limited by guarantee and an exempt charity. The Trust's memorandum and articles of association ("the Articles") are the primary governing documents of the Trust. The Trustees of the Trust are also the directors of the charitable company for the purposes of company law. The Trust is a wholly owned subsidiary of Academies Enterprise Trust, a company limited by guarantee and an exempt charity, and is part of the AET Group of companies.

Details of the Trustees who served during the year are set out in the Reference and Administration Details on page 1.

The academy is constituted under a Memorandum of Association dated 01/04/2010.

b MEMBERS' LIABILITY

Each member of the Trust undertakes to contribute to the assets of the Trust 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.

c METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Trustees are appointed in accordance with the provisions set out in the Articles. The Trustees are appointed by the Members of the Trust. Trustees are appointed for a period of four years. This can be extended for further four year terms. The Chairman is elected annually by the Trustees.

d POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trustees offer a wide range of skills and experience essential to the good governance of the Trust. Each Trustee undertakes an induction programme that includes visits to the Trust's academies and meetings with the Group Chief Executive and members of the executive team. The Chairman is responsible for identifying development needs for Trustees, either individually or collectively, and these are met through a bespoke programme of learning and development.

e ORGANISATIONAL STRUCTURE

The Trust has a clear structure in place to control the way in which it is run. The structure consists of three levels: Members, Trustees, and Academies.

The Trust has agreed a scheme of delegation that sets out the matters reserved to the Members and to the Trustees. Matters not reserved to the Members or Trustees are delegated to the Trust's committees or to the Group Chief Executive. The matters reserved to the Members include changes to the Articles, appointment of Trustees, and disposal of significant assets. The matters reserved to Trustees include oversight of performance, strategy, policy, corporate structure, membership of committees, scheme of delegation, financial reporting and controls, and remuneration. The Trust has established local governing bodies with clear terms of reference.

The principal/headteacher of each academy is accountable to the Regional Director and to a local governing body or management board, which has a focus on school improvement and outcomes for pupils.

LONDON ACADEMIES ENTERPRISE TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2015

f CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

LAET is a subsidiary company of Academies Enterprise Trust (AET). This relationship is discussed in note 25, Related Party Transactions. Full details are disclosed in the AET group Accounts. The Trust also has connections with the following organisations by virtue of its relationship with AET:

- Greensward Charitable Trust, a company limited by guarantee and a registered charity, the Principal Sponsor of AET
- AET Solutions, a subsidiary of the Parent Company, which provides a range of staff benefits to the Trust's employees
- Unity City Academy Trust, a wholly owned subsidiary of AET

g TRUSTEES' INDEMNITIES

There are no qualifying third party indemnity provisions in place in respect of Trustees, other than trustees' insurance, which is in place.

Objectives and Activities

a. OBJECTS AND AIMS

The Trust's charitable objects are set out in its Articles. In summary the Trust's purpose is to be the proprietor of a number of academies that are inclusive and provide outstanding education to all children and young people.

In order to achieve its objects the Trust aims to:

- be the education provider of choice for children and young people and to do everything it can to ensure that its pupils and students achieve outstanding results at all stages and ages, appropriate to their ability,
- make each of its academies the first choice for local families, not because there is no other school locally, or because it is too far to travel to the next town or beyond, but because it is a centre of excellence for education for the whole community, and
- be the first choice of employer for leaders, teachers and support staff. It wants to recruit, develop and retain the best staff, provide them with good conditions of service and flexible benefits, to reward success through effective appraisal and provide opportunities for on-going professional development.

b OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust has agreed a corporate plan that sets out a clear strategic direction for the next three years. It provides a number of key goals that apply across the Group and corporate priorities that aim to support the achievement of these goals. The corporate plan is the foundation for a strong sense of organisational purpose - a 'golden thread' - that is shared by all employees and developed through the alignment of academy and service development plans and individual performance management objectives.

Following an external review in 2013 the Trust has set out three goals that form the focus of planning throughout our organisation:

- sustainable improvement in attainment and progress outcomes overall for pupils in its academies,
- academies in a category making speedier progress, moving out of a category quickly and not slipping back in, and
- the Ofsted profile for its academies shifting in two years towards at least two-thirds good or outstanding.

LONDON ACADEMIES ENTERPRISE TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2015

c PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit

The Trustees have referred to the guidance set out in the Charity Commission's general guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities. In particular the Trustees have considered how planned activities contribute to the aims and objectives they have set

The Trustees consider that the Trust's aims and objectives are demonstratively to the public benefit

Strategic Report

Achievements and performance

a REVIEW OF ACTIVITIES

The LAET GCSE results in 2015 for the four academies, combined, fell between 2014 and 2015 to 37%, reflecting the volatility seen nationally in English and mathematics. As a result, we saw a decrease of eight percentage points in the measure of 5 GCSEs at grade C or above, including English and mathematics ("5ACEM"), which is a larger drop than nationally and disproportionately reflects the outcomes at the largest academy in the LAET group, Bexleyheath Academy, where there is still dispute over grading outcomes in English and mathematics.

Students, nationally, are expected to make three levels of progress between Key Stage 2 and Key Stage 4, separately, in English and mathematics. The percentage of students in LAET academies making expected progress by subject is as follows:

- English 56%
- Mathematics 63%

The national result for English in 2015 was 70% of students making three levels of progress and for mathematics it was 67%. There were notable increases in students' progress in English and mathematics Aylward and for many students in all four academies.

LONDON ACADEMIES ENTERPRISE TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2015

b. KEY PERFORMANCE INDICATORS

	No. pupils in the 2015 cohort	2014 Result	2015 Result	Difference compared to 2014	2015 NATIONAL (all state funded)	2015 NATIONAL (sponsored academies)
KS4: %5+A*-C including English and maths	791	43%	34%	-9 ▼	56%	45%
KS4: % 3+ Levels of progress - English	791	73%	49%	-24 ▼	70%	65%
KS4: % 3+ Levels of progress - Maths	791	61%	60%	-1 ▼	67%	59%
KS4: % A* - C in English	791	61%	44%	-16 ▼	68%	
KS4: % A* - C in Maths	791	57%	52%	-5 ▼	68%	
KS5: APS per A-Level entry	222	186.6	198.2	12 ▲	215.4	207.9
KS5: APS per A-Level student (FTE)	222	612.2	563.8	-48 ▼	766.6	695.8
KS5: % of A level students achieving at least 1 A level at A*-E (excluding equivalences)	222	97%	98%	0% ▲		
% of A level students achieving at least 2 A levels at A*-E (excluding equivalences)	222	69%	65%	-5% ▼		
% of A level students achieving at least 3 A levels at A*-E (excluding equivalences)	222	38%	35%	-3% ▼		

Financial Key Performance Indicators

Funds, excluding fixed asset and pension funds, as a % of total income

Funds, excluding fixed asset and pension funds, as a % of total income

-1.6% (2014: 1%)

Cash ratio (cash to current liabilities) & Current ratio (current assets to current liabilities)

Cash ratio of 0.5 (2014: 0.8)

Current ratio of 0.9 (2014: 1.3)

Academy internal audit ratings

2 academy internal audit visits were carried out in the year by RSM. On a grading of 1 to 5, 1 being the best and 5 being the worst, one academy achieved the highest rating of 1, and one academy achieved a rating of 3.

Note - not all academies receive an internal audit visit in the year because

- if they receive a rating of 1, the next visit is planned for 18 months after the previous visit
- If they receive a rating of 2 or 3, the next visit is planned for 12 months after the previous visit
- If they receive a rating of 4 or 5, the next visit is planned for 6 months after the previous visit

Number of internal audit findings

No high priority internal audit findings were reported in the year by RSM

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Trustees' Report (continued)
For the Year Ended 31 August 2015

% spend on core support services

£1,267,000 (2014 £1,296,000) of academy income was used to support the AET central services functions, which equates to 3.4% (2014 2.7%) of the Trust's total expenditure for the year and 3.7% (2014 2.5%) of the Trust's total income

c GOING CONCERN

The Education Funding Agency ("EFA") issued a Financial Notice to Improve ('the Notice') to the Parent Company on 23 October 2014 as a consequence of concerns about the financial management and governance of the academy trusts within the AET Group. Specific concerns relate to the volatility shown in the series of financial projections provided to the EFA, the ability of the Trust to forecast and to secure finances across the Group and the structures and processes for oversight of the financial management of the Trust and its academies.

The Parent Company provided the EFA with an action plan to address the Notice. The action plan has been kept under review by the Parent Company through its Audit and Risk Committee, and regular meetings have been held with officials representing the EFA. The Trustees have considered the Notice in relation to the basis of going concern and conclude that there are no implications in relation to the financial reporting within the financial statements, trustees report, governance statement and statement of regularity and propriety.

LAET has a deficit on unrestricted funds of £1.7m at 31 August 2015 representing deficits at two of the Academies within the group. Restricted funds include £1.1m of surpluses at two academies within the group. In accordance with the Academies Financial Handbook, and with the agreement of the individual academies, the Trust plans to pool funds between academies to reduce the deficit overall. The remaining deficit relates to a residual of funds, due to a pupil number adjustment at Nightingale Academy in 2013/14. The trust is currently in discussion with the EFA in relation to the repayment of this balance, which is linked to the discussions over the dissolution of LAET, referred to below.

The Parent Company has sought the EFA's approval to transfer the Trust's academies to the Parent Company and to subsequently dissolve the Trust. It has sought this approval in order to manage the financial challenges faced by two of the Trust's academies and the Trust has built the deficit reduction plans noted above into this process. Should this approval not be forthcoming, additional funding will be sought from the EFA to manage the rising costs of the PFI contract at Bexleyheath Academy and the EFA have been asked to recover the overpayment of grant to Nightingale Academy over a 5-10 year period.

Noting the above, and after making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The Trustees gain assurance of future plans following review and approval of medium and long term corporate plans, budgets and discussions.

d FINANCIAL REVIEW

The majority of academy income is obtained from the Department for Education (DfE) and Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to the Trust's educational objectives. The grants received from the DfE and EFA during the year ended 31 August 2015 and the associated expenditure are reported as restricted funds in the Statement of Financial Activities (SOFA).

The SOFA reports total incoming resources for the year of £34,522,000 (2014 £52,451,000), of which £34,070,000 was restricted funding received from the DfE and EFA, and total resources expended for the year of £37,792,000 (2014 £48,043,000).

Other losses for the year amounted to £190,000 (2014 £68,000 loss), which related to LGPS pension fund movements, resulting in a net movement in funds for the year of a £3,460,000 deficit (2014 £4,340,000 surplus).

Total funds at 31 August 2015 were £47,299,000 (2014 £50,959,000), of which £53,052,000 were restricted fixed asset funds including unspent capital funds, £1,142,000 were other restricted funds, £1,691,000 were unrestricted deficit funds and £5,204,000 were Local Government Pension Scheme pension fund deficits.

Total funds excluding fixed asset and pension funds at 31 August 2015 were a deficit of £549,000 (2014 surplus £511,000).

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Trustees' Report (continued)
For the Year Ended 31 August 2015

Two academies had funds deficits at 31 August 2015, excluding fixed asset and pension funds. Note 18 to the Financial Statements details the level of each deficit along with our actions taken and plans to address this going forward.

Total cash balances at 31 August 2015 were £1,538,000 (2014: £3,066,000).

The majority of academy buildings are leased from Local Authorities for a peppercorn rent. In accordance with SSAP21, 'Accounting for Leases and Hire Purchase Contracts', the buildings on long term (typically 125 year) leases from Local Authorities have been recognised as tangible fixed assets in the Financial Statements and the value of the buildings were treated as voluntary income in the Financial Statements, in the year of transfer to AET. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such gifts are reported within the restricted fixed asset fund in the SOFA. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

The buildings of one academy are leased under a Private Finance Initiative (PFI) contract. The commitment under the PFI contract is disclosed as operating leases in note 24 and as such no valuation is included within fixed assets on the Balance Sheet for these buildings.

At 31 August 2015 the net book value of tangible fixed assets was £52,756,000 (2014: £54,287,000). Movements in tangible fixed assets are reported in note 14 to the Financial Statements. The assets were used exclusively for providing education and associated support services to the pupils of LAET academies.

The deficit in LGPS pension funds is recognised on the balance sheet in accordance with the provisions of FRS17. The total deficit in the scheme at 31 August 2015 was £5,204,000 (2014: £4,655,000). Movements in the pension fund are reported in note 23 to the Financial Statements.

a PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees assess, monitor and manage risks through the a joint arrangement with the Parent Company's Audit and Risk Committee, its internal control framework and internal audit. The Trustees maintain a corporate risk register and keep risks under review through risk workshops and regular reporting. The key risks fall into three categories:

People

The success of the Trust is dependent on recruiting, developing and retaining key staff at all levels. The recruitment of strong school leaders and teachers presents a challenge particularly in certain areas of the country and in core subject areas. The Trust has agreed a people strategy to address these issues.

Finance

The Trust is aware of the risks and uncertainties relating to pupil numbers and government funding for academies. In addition it takes account of general changes that impact on academy funding such as increases in employer contributions for national insurance, pensions and the apprenticeship levy. The Trust has raised concerns with the EFA regarding the financial challenges facing a number of its academies and has set out plans to address this risk.

Academy performance

The Trust has an unrelenting focus on improving the performance of its academies and securing the best possible outcomes for its pupils. There is a significant risk to the Trust's success if it fails to continue to improve the Ofsted profile of its academies. The Trust has risk assessed each of its academies and keeps this under review. The Trust is aware that the performance of its academies, particularly at Key Stage 4, needs improvement.

b RESERVES POLICY

The Trust's reserves policy is that each academy should build and maintain a sufficient level of funds in order to create stability and sustainability, and to serve the academy's short and long term plans, including future capital expenditure. The Trust aims to maintain a minimum level of funds, excluding fixed asset and pension funds, of 5% of total annual income, or £1,726,000. At 31 August 2015 the Trust held deficit funds, excluding fixed asset and pensions funds, of £549,000 representing -1.6% of total annual income (2014: -1.0%).

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Trustees' Report (continued)
For the Year Ended 31 August 2015

c INVESTMENT POLICY

The Trustees take account of the requirements of the Academies Financial Handbook when investing funds and the need to not place capital at risk. The Trustees maximise income from funds by investing in short term cash deposits of no longer than 12 months.

Plans for future periods

a FUTURE DEVELOPMENTS

The Trustees will continue to implement the Corporate Plan.

The Trustees have agreed five key priorities for the next year:

- provide strong governance, leadership and accountability,
- build the capacity of our academies to continually improve their performance,
- close the gap in educational outcomes by having high expectations of all children and young people,
- improve our organisation capability by investing in our people, and
- deliver high-quality, value-for-money support services
- reduce the budget deficit

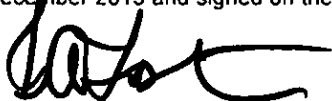
In particular, the Trust will increase its focus on improving outcomes at Key Stage 4.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report, incorporating the Strategic Report, was approved by order of the board of trustees, as the company directors, on 15 December 2015 and signed on the board's behalf by



I Foster, Chair of Trustees
Chair of Trustees

LONDON ACADEMIES ENTERPRISE TRUST
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Governance Statement

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that London Academies Enterprise 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 Group Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between London Academies Enterprise 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 Trustees' Responsibilities Statement. The board of trustees has formally met 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Foster, Chair of Trustees	2	2
I Comfort, Chief Executive	2	2
S Leverett, Trustee (resigned 6 July 2015)	0	1
J Deslandes, Trustee	1	2
M Walker, Trustee	1	2
Academies Enterprise Trust	0	0
I Foster	0	0

Governance reviews

The Board of Trustees commissioned the Cass Centre for Charity Effectiveness at City University to undertake an external review of its governance. The review was completed in September 2015 and an action plan was agreed by the Board to address the areas for development. The Trustees will keep the action plan under review throughout the year.

Financial Notice to Improve

The EFA issued a Financial Notice to Improve ("the Notice") to the Parent Company on 23 October 2014 as a consequence of concerns about the financial management and governance of academies within the AET Group. Specific concerns at the time related to the ability of the Parent Company to forecast and secure finances across the Group and the structures and processes for oversight of the financial management of the Trust and its academies. The Trust has a joint Audit and Risk Committee with the Parent Company.

Attendance at meetings in the year was as follows:

Audit committee member	Meetings attended	Out of a possible
L Aitchison	9	12
J Glazier	12	12
K Lomax	11	12

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust'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 available. The accounting officer for the academy trust has delivered improved value for money during the year through the following:

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Governance Statement (continued)

- In April 2015 the Parent Company appointed a Head of Procurement to consolidate procurement and supplier spend across the Group and take advantage of the buying power that it has as a large multi-academy trust
- During the year new Procurement and Value for Money Strategies, Value for Money Action Plan and Procurement Savings Log have been put in place and are monitored and maintained by the Head of Procurement
- During the year we have undertaken a category spend review to identify the major areas of cost on which to focus procurement attention going forward. Areas highlighted include supply teachers, energy and facilities management
- In addition to the category review, a procurement audit is being undertaken within each academy to review their current costs and identify where savings can be achieved, both immediately and when contracts reach their end date
- Effective procurement has resulted in savings in the year of £6,000 for LAET academies and £135,000 for the AET Group as a whole, across product areas including paper, stationery, ICT including hardware and broadband services, telephone calls, line rental, mobile phones, cleaning materials, gas, catering services, supply teachers, and classroom materials
- During the year the Parent Company awarded an ICT Strategic Partnership contract which it is estimated to deliver significant additional added value service enhancements over its five year contract period

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 parent company (AET) 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 London Academies Enterprise Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the parent company (AET) 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 parent company (AET)'s significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 parent company (AET)'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 AET central finance function of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has continued with the appointment of RSM as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems, procedures and controls. In particular the checks carried out in the current period included

- access to the accounting systems and amendments to standing data,

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Governance Statement (continued)

- controls over journal transactions,
- petty cash transactions and procedures,
- payroll processing, including amendments to payroll, such as starters and leavers, and also monthly payroll processing procedures,
- employee expense claims,
- credit card expenditure and procedures,
- creditors, including purchase ordering, goods receipting, invoice authorisation and final payment procedures. Where applicable, this also included checks to ensure that formal tendering procedures have been adhered to for major contracts,
- income, including checks to ensure that VAT in relation to income has been correctly recorded,
- budget monitoring, including confirming that procedures are in place to report performance against budget to academies' local governing bodies and, where applicable, action plans are put in place and are monitored to ensure that budget deficits are rectified as soon as possible

The internal auditor reports to the Board of Trustees, through the audit and risk committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities

REVIEW OF EFFECTIVENESS

As accounting officer, the Group Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the internal auditor,
- the work of the external auditors,
- the work of the Group Finance Director and finance staff within the Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf, by:


I Foster, Chair of Trustees
Chair of Trustees


I Comfort, Chief Executive
Accounting Officer

LONDON ACADEMIES ENTERPRISE TRUST
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Statement on Regularity, Propriety and Compliance

As accounting officer of London Academies Enterprise Trust I have considered my responsibility to notify the parent company (AET) board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the parent company (AET) and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014)

I confirm that I and the parent company (AET) board of trustees are able to identify any material, irregular or improper use of funds by the parent company (AET), or material non-compliance with the terms and conditions of funding under the parent company (AET)'s funding agreement and the Academies Financial Handbook (2014)

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 EFA


**I Comfort, Chief Executive
Accounting Officer**

Date 15 December 2015

LONDON ACADEMIES ENTERPRISE TRUST
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Trustees' Responsibilities Statement
For the Year Ended 31 August 2015

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

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

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

The 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 EFA/DFE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by



I Foster, Chair of Trustees
Chair of Trustees

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of London Academies Enterprise Trust

We have audited the financial statements of London Academies Enterprise Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

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

EMPHASIS OF MATTER

Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements that LAET's ability to continue as a going concern depends upon agreement with the EFA of the proposals to eliminate the current deficit on unrestricted funds. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of London Academies Enterprise Trust

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Tina Allison, Senior Statutory Auditor
Crowe Clark Whitehill LLP
Chartered Accountants
Statutory Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

18 December 2015

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to London Academies Enterprise Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 24th October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by London Academies Enterprise Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

RESPECTIVE RESPONSIBILITIES OF LONDON ACADEMIES ENTERPRISE TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of London Academies Enterprise Trust's funding agreement with the Secretary of State for Education dated [enter date here], and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Crowe Clark Whitehill LLP
Chartered Accountants
Statutory Auditors
St Bride's House

18 December 2015

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer from parent company	2	-	-	-	-	16,725
Other voluntary income	2	35	-	-	35	42
Activities for generating funds	3	330	-	-	330	380
Investment income	4	14	-	-	14	13
Incoming resources from charitable activities	5	73	34,070	-	34,143	35,291
TOTAL INCOMING RESOURCES		452	34,070	-	34,522	52,451
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising expenses and other costs	3	432	-	-	432	439
Charitable activities		2,123	33,012	2,172	37,307	47,579
Governance costs	9	-	53	-	53	25
TOTAL RESOURCES EXPENDED	6	2,555	33,065	2,172	37,792	48,043
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(2,103)	1,005	(2,172)	(3,270)	4,408
Transfers between Funds	18	(321)	-	321	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(2,424)	1,005	(1,851)	(3,270)	4,408
Actuarial gains and losses on defined benefit pension schemes	23	-	(190)	-	(190)	(68)
NET MOVEMENT IN FUNDS FOR THE YEAR		(2,424)	815	(1,851)	(3,460)	4,340
Total funds at 1 September 2014		733	(4,877)	54,903	50,759	46,419
TOTAL FUNDS AT 31 AUGUST 2015		(1,691)	(4,062)	53,052	47,299	50,759

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 20 to 40 form part of these financial statements

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)
Registered number: 7211219

Balance Sheet
As at 31 August 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	14		52,756		54,287
CURRENT ASSETS					
Stocks	15	36		35	
Debtors	16	1,258		1,797	
Cash at bank and in hand		1,538		3,066	
		<u>2,832</u>		<u>4,898</u>	
CREDITORS amounts falling due within one year	17	(3,085)		(3,771)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(253)</u>		<u>1,127</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>52,503</u>		<u>55,414</u>
Defined benefit pension scheme liability			<u>(5,204)</u>		<u>(4,655)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>47,299</u></u>		<u><u>50,759</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	18	1,142		(222)	
Restricted fixed asset funds	18	53,052		54,903	
Restricted funds excluding pension liability		<u>54,194</u>		<u>54,681</u>	
Pension reserve	23	<u>(5,204)</u>		<u>(4,655)</u>	
Total restricted funds			<u>48,990</u>		<u>50,026</u>
Unrestricted funds	18		<u>(1,691)</u>		<u>733</u>
TOTAL FUNDS			<u><u>47,299</u></u>		<u><u>50,759</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2015 and are signed on their behalf, by



I Foster, Chair of Trustees
Chair of Trustees

The notes on pages 20 to 40 form part of these financial statements

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	20	(901)	(9,676)
Returns on investments and servicing of finance	21	14	13
Capital expenditure and financial investment	21	(641)	10,243
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,528)	580

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2015

	2015 £000	2014 £000
(Decrease)/Increase in cash in the year	(1,528)	580
MOVEMENT IN NET FUNDS IN THE YEAR	(1,528)	580
Net funds at 1 September 2014	3,066	2,486
NET FUNDS AT 31 AUGUST 2015	1,538	3,066

The notes on pages 20 to 40 form part of these financial statements

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The Education Funding Agency ("EFA") issued a Financial Notice to Improve ('the Notice') to the Parent Company on 23 October 2014 as a consequence of concerns about the financial management and governance of the academy trusts within the AET Group. Specific concerns relate to the volatility shown in the series of financial projections provided to the EFA, the ability of the Trust to forecast and to secure finances across the Group and the structures and processes for oversight of the financial management of the Trust and its academies.

The Parent Company provided the EFA with an action plan to address the Notice. The action plan has been kept under review by the Parent Company through its Audit and Risk Committee, and regular meetings have been held with officials representing the EFA. The Trustees have considered the Notice in relation to the basis of going concern and conclude that there are no implications in relation to the financial reporting within the financial statements, trustees report, governance statement and statement of regularity and propriety.

LAET has a deficit on unrestricted funds of £1.7m at 31 August 2015 representing deficits at 2 of the Academies within the group. Restricted funds include £1.1m of surpluses at two academies within the group. In accordance with the Academies Financial Handbook, and with the agreement of the individual academies, the Trust plans to pool funds between academies to reduce the deficit overall. The remaining deficit relates to a residual of funds due to a pupil number adjustment at Nightingale Academy in 2013/14. The trust is currently in discussion with the EFA in relation to the repayment of the overpayment, which is linked to the discussions over the dissolution of LAET.

The Parent Company has sought the EFA's approval to transfer the Trust's academies to the Parent Company and to subsequently dissolve the Trust. It has sought this approval in order to manage the financial challenges faced by two of the Trust's academies and the Trust has built the deficit reduction plans noted above into this process. Should this approval not be forthcoming, additional funding will be sought from the EFA to manage the rising costs of the PFI contract at Bexleyheath Academy and the EFA have been asked to recover the overpayment of grant to Nightingale Academy over a 5-10 year period.

Noting the above, and after making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. For this reason it continues to adopt the going concern basis in the financial statements. The Trustees gain assurance of future plans following review and approval of medium and long term corporate plans, budgets and discussions.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the 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 and include grants from the Department for Education.

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

1.4 Incoming resources

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

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. ACCOUNTING POLICIES (continued)

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1 ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long-term leasehold property	-	2% on cost
Fixtures and fittings	-	33.3% on cost
Computer equipment	-	33.3% on cost
Other fixed assets	-	33.3% on cost

1.7 Operating leases

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

LAET has one academy (Bexleyheath Academy) where the buildings are subject to a contract under the Private Finance Initiative (PFI). Under this contract the school premises are maintained and managed for a period of up to 25 years by the PFI contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract the residual benefit of the premises passes to the Academy.

This transaction is accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement in the opinion of the Board the Academy does not hold substantially all the risks and rewards of ownership of the premises and the property is therefore accounted for as an operating lease. The premises are therefore not recognised as assets in the financial statements of LAET. The annual charges under the PFI agreement are subject to a fixed formula but will vary over time therefore the annual charges are expensed to the profit and loss account in the year they relate to as this treatment is considered to be more appropriate than recognition on a strict straight line basis.

1.8 Stocks

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

1.9 Taxation

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

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1 ACCOUNTING POLICIES (continued)

1 10 Pensions

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Transfer from parent company	-	-	-	16,725
Donations	35	-	35	32
Grants	-	-	-	10
Subtotal	35	-	35	42
Voluntary income	35	-	35	16,767

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

3 TRADING ACTIVITIES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Charity trading income				
Hire of facilities	170	-	170	155
Provided services	4	-	4	17
Trading income	33	-	33	41
Academy trips	123	-	123	167
	<u>330</u>	<u>-</u>	<u>330</u>	<u>380</u>
Fundraising trading expenses				
Hire of facilities	180	-	180	136
Catering	-	-	-	6
Provided services	1	-	1	17
Cost of sales	17	-	17	40
Academy trips	234	-	234	240
	<u>432</u>	<u>-</u>	<u>432</u>	<u>439</u>
Net expenditure from trading activities	<u>(102)</u>	<u>-</u>	<u>(102)</u>	<u>(59)</u>

4 INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Investment income - local cash	14	-	14	13

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	31,300	31,300	31,946
Start Up Grants	-	20	20	27
Pupil Premium	-	1,817	1,817	1,983
Other EFA Grants	-	393	393	443
Other DfE Grants	-	140	140	202
	-	33,670	33,670	34,601
Other government grants				
Local Authority Grants	-	320	320	470
Other Government Grants	-	80	80	144
	-	400	400	614
Other funding				
Sundry Income	73	-	73	76
	73	-	73	76
	73	34,070	34,143	35,291

6 RESOURCES EXPENDED

	Staff costs 2015 £000	Non Pay Premises 2015 £000	Expenditure Other costs 2015 £000	Total 2015 £000	Total 2014 £000
Fundraising expenses	56	102	274	432	439
Costs of generating funds	56	102	274	432	439
Direct Costs	22,487	1,846	2,392	26,725	26,796
Support costs	3,128	2,641	4,813	10,582	20,783
Charitable activities	25,615	4,487	7,205	37,307	47,579
Governance	-	-	53	53	25
	25,671	4,589	7,532	37,792	48,043

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

Net income/(expenditure) for the period includes	2015 £000	2014 £000
Operating leases		
PFI	1,623	1563
Other operating leases	164	106
Fees payable to auditor for		
audit	6	9
other services	3	-
	<hr/>	<hr/>

7 DIRECT COSTS

	2015 £000	<i>Total</i> 2014 £000
Educational Supplies	491	602
Technology Costs	221	318
Examination Fees	520	497
Staff Development	518	516
Education Consultancy Fees	371	350
Pupil Recruitment & Support	80	-
Other Expenses	191	260
Wages and salaries	18,592	18,730
National insurance	1,448	1,514
Pension cost	2,447	2,359
Depreciation	1,846	1,650
	<hr/>	<hr/>
	26,725	26,796
	<hr/>	<hr/>

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

8 SUPPORT COSTS

	2015	<i>Total</i>
	£000	2014
		£000
Technology Costs	291	350
Pupil Recruitment & Support	87	238
Maintenance of Premises & Equipment	910	9,624
Heating & Lighting	618	487
Cleaning	490	537
Rent & Rates	130	233
Insurance	119	204
Transport	48	72
Catering	700	651
Legal & Professional Fees	1,701	2,663
Bank interest & charges	3	3
Other Expenses	408	499
PFI Management Fee	1,623	1,564
Wages and salaries	2,576	2,664
National insurance	185	181
Pension cost	367	517
Depreciation	326	296
	<u>10,582</u>	<u>20,783</u>

9 GOVERNANCE COSTS

	Unrestricted	Restricted	Total	<i>Total</i>
	funds	funds	funds	funds
	2015	2015	2015	2014
	£000	£000	£000	£000
Governance Internal audit costs	-	4	4	4
Governance Auditors' remuneration	-	6	6	9
Governance Auditors' non audit costs	-	3	3	-
Governance support costs	-	40	40	12
	<u>-</u>	<u>53</u>	<u>53</u>	<u>25</u>

LONDON ACADEMIES ENTERPRISE TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
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10 STAFF

a Staff costs

Staff costs were as follows

	2015 £000	2014 £000
Wages and salaries	19,660	20,260
Social security costs	1,633	1,695
Other pension costs (Note 25))	2,814	2,875
	<u>24,107</u>	<u>24,830</u>
Agency staff costs	1,428	1,060
Staff restructuring payments	136	162
	<u>25,671</u>	<u>26,052</u>

b. Staff severance payments

Included in staff restructuring payments are no non-statutory/non-contractual severance payments (2014 £15,701)

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows

	2015 No	2014 No
Teachers	310	299
Administration & Support	184	232
Management	70	30
	<u>564</u>	<u>561</u>

d Higher paid staff

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

	2015 No.	2014 No
In the band £ 60,001 - £ 70,000	6	7
In the band £ 70,001 - £ 80,000	6	4
In the band £ 90,001 - £100,000	0	2
In the band £100,001 - £110,000	2	2
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

All of the above employees participated in the Teachers' Pension Scheme

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11 CENTRAL SERVICES

LAET does not provide central services to its academies. These services are provided to the academies of the LAET by the parent company, Academies Enterprise Trust.

12 TRUSTEES' REMUNERATION AND EXPENSES

The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Any such remuneration is paid centrally by the parent Company, AET. Other trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees.

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL)

13 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was not separately identifiable (2014 - £4,145). The cost of this insurance is included in the total insurance cost.

14 TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2014	55,707	1,363	1,929	58,999
Additions	286	31	324	641
At 31 August 2015	55,993	1,394	2,253	59,640
Depreciation				
At 1 September 2014	3,597	316	799	4,712
Charge for the year	1,116	442	614	2,172
At 31 August 2015	4,713	758	1,413	6,884
Net book value				
At 31 August 2015	51,280	636	840	52,756
At 31 August 2014	52,110	1,047	1,130	54,287

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15 STOCKS

	2015	2014
	£000	£000
Finished goods and goods for resale	36	35

16 DEBTORS

	2015	2014
	£000	£000
Trade debtors	90	107
Amounts owed by group undertakings	295	726
VAT repayable	488	475
Other debtors	44	79
Prepayments and accrued income	341	410
	1,258	1,797

17 CREDITORS

Amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	992	1,057
Amounts owed to group undertakings	-	143
Other taxation and social security	382	373
Other creditors	265	359
Accruals and deferred income	1,446	1,839
	3,085	3,771

Deferred income

	£000
Deferred income at 1 September 2014	110
Resources deferred during the year	124
Amounts released from previous years	(110)
Deferred income at 31 August 2015	124

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18. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	679	452	(2,501)	(321)	-	(1,691)
Private funds	54	-	(54)	-	-	-
	<u>733</u>	<u>452</u>	<u>(2,555)</u>	<u>(321)</u>	<u>-</u>	<u>(1,691)</u>
Restricted funds						
General Annual Grant (GAG)	(563)	31,300	(29,609)	14	-	1,142
Other DfE/EFA	316	2,370	(2,672)	(14)	-	-
Other restricted	25	400	(425)	-	-	-
Pension reserve	(4,655)	-	(359)	-	(190)	(5,204)
	<u>(4,877)</u>	<u>34,070</u>	<u>(33,065)</u>	<u>-</u>	<u>(190)</u>	<u>(4,062)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	54,287	-	(2,172)	641	-	52,756
Capital fund	616	-	-	(320)	-	296
	<u>54,903</u>	<u>-</u>	<u>(2,172)</u>	<u>321</u>	<u>-</u>	<u>53,052</u>
Total restricted funds	<u>50,026</u>	<u>34,070</u>	<u>(35,237)</u>	<u>321</u>	<u>(190)</u>	<u>48,990</u>
Total of funds	<u>50,759</u>	<u>34,522</u>	<u>(37,792)</u>	<u>-</u>	<u>(190)</u>	<u>47,299</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Trust's Academies

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

£641k of transfers were made into the fixed asset fund. This comprised £320k of assets purchased from capital funds, and £321k of assets purchased from unrestricted funds

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For the Year Ended 31 August 2015

18 STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows

	Total £000
Aylward Academy	(502)
Bexleyheath Academy	377
Kingsley Academy	943
Nightingale Academy	(1,367)
Total before fixed asset fund and pension reserve	(549)
Restricted fixed asset fund	53,052
Pension reserve	(5,204)
Total	47,299

The following academies are carrying net deficits on their portion of the funds as follows

Name of academy	Amount of deficit £
Aylward Academy	502,000
Nightingale Academy	1,367,000

Aylward Academy

During the year, Aylward Academy's reserves have decreased from a £467k surplus to a deficit of £502k. The deficit has been created by overstaffing at the academy and a radical whole staff review is being implemented, although the full impact of teacher savings will not be seen until 16/17. Student numbers are demonstrating an upward trend this year, with more students choosing to stay at the academy in the 6th form. An in year surplus is budgeted for 2015/16. It is anticipated that the academy will return to surplus during 2017/18.

Nightingale Academy

During the year Nightingale Academy's deficit increased from £1,002k to £1,367k. The academy suffered an EFA pupil number adjustment of £1,015k in the prior year due to a reduction of 141 pupils. There are ongoing discussions with the EFA over a repayment plan to be agreed allowing repayment over a number of years. The increase in the deficit has been caused by overstaffing at the academy. A new principal started in September 2015. A detailed curriculum review and a staff review has been implemented and other expenditure is being scrutinised. Open days are planned to raise the profile of the academy and a major push is being undertaken to increase 6th form numbers. It is anticipated that the academy will return to surplus within 4 years.

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18 STATEMENT OF FUNDS (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Aylward Academy	7,153	1,048	231	2,821	11,253
Bexleyheath Academy	6,606	886	126	3,255	10,873
Kingsley Academy	4,361	492	224	1,458	6,535
Nightingale Academy	4,008	757	46	1,999	6,810
LAET	-	-	-	9	9
	<u>22,128</u>	<u>3,183</u>	<u>627</u>	<u>9,542</u>	<u>35,480</u>

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	52,756	52,756	54,288
Current assets	234	2,302	296	2,832	4,897
Creditors due within one year	(1,925)	(1,160)	-	(3,085)	(3,771)
Provisions for liabilities and charges	-	(5,204)	-	(5,204)	(4,655)
	<u>(1,691)</u>	<u>(4,062)</u>	<u>53,052</u>	<u>47,299</u>	<u>50,759</u>

20 NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Net incoming resources before revaluations	(3,270)	4,408
Returns on investments and servicing of finance	(14)	(13)
Depreciation on revalued assets	-	1,946
Depreciation of tangible fixed assets	2,172	-
Capital grants from DfE	-	(16,727)
Increase in stocks	(1)	(12)
Decrease/(increase) in debtors	539	(318)
(Decrease)/increase in creditors	(686)	839
FRS 17 adjustments	359	201
Net cash outflow from operations	<u>(901)</u>	<u>(9,676)</u>

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Notes to the Financial Statements
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21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	2014
	£000	£000
Returns on investments and servicing of finance		
Interest received	14	13
	14	13
	2015	2014
	£000	£000
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(641)	(128)
Assets transferred from AET	-	(6,356)
Capital grants from DfE	-	16,727
	(641)	10,243
Net cash (outflow)/inflow capital expenditure	(641)	10,243

22 ANALYSIS OF CHANGES IN NET FUNDS

	1 September	Cash flow	Other	31 August
	2014	£000	non-cash	2015
	£000	£000	changes	£000
Cash at bank and in hand	3,066	(1,528)	-	1,538
Net funds	3,066	(1,528)	-	1,538

LONDON ACADEMIES ENTERPRISE TRUST
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23 PENSIONS AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the 3 different Local Government Pension Funds. Both are defined benefit schemes.

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

Contributions amounting to £255,000 were payable to the schemes at 31st August 2015 (2014 - £273,000) and are included within creditors.

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

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

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

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

The pension costs paid to TPS in the period amounted to £1,700,000 (2014: £1,747,000).

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

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

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23 PENSIONS AND SIMILAR OBLIGATIONS (continued)

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 2015 was £1,071,000 of which employer's contributions totalled £778,000 and employees' contributions totalled £293,000. The agreed contribution rates for future years are variable based on pay.

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.

The LGPS is in a deficit position and an agreement has been made for the Trust to make additional contributions in addition to the normal funding levels. These contributions amounted to £97,665 for the year to 31 August 2015, and are included in employer's contributions above.

The LGPS is managed by the following local authority pension funds:

London Borough of Bexley Pension Fund
London Borough of Enfield Pension Fund
London Borough of Hounslow Pension Fund

Summary

The following figures are a summary of the named Local Government Pension Funds which provide pensions for the Trust's employees. In the 3 schemes above there were 4 academies (2014: 4).

	2015 £000	2014 £000
Equities	4,924	4,629
Government bonds/gilts	566	520
Other bonds	1,336	777
Property	792	649
Cash/Liquidity	342	248
Other	1,782	1,705
Total market value of assets	9,742	8,528
Present value of scheme liabilities		
- Funded	(14,946)	(13,183)
- Unfunded	-	-
Deficit in the scheme	(5,204)	(4,655)

The actual return on scheme assets was £268,000 (2014: £479,000).

Amounts recognised in the Statement of Financial Activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	1,102	988
Past service cost	30	10
Total operating charge	1,132	998

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23 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance income / (costs)

Expected return on Scheme assets	542	470
Interest on pension liabilities	(547)	(548)
Losses on curtailments & settlements	-	-
Pension finance costs	(5)	(78)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £904,000 loss.

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

	2015 £000	2014 £000
At 1 September	13,183	11,427
Current service cost	1,102	988
Interest cost	547	548
Employee contributions	293	275
Actuarial losses (gains)	(84)	34
Benefits paid	(125)	(99)
Past service cost	30	10
Curtailments & settlements	-	-
At 31 August	14,946	13,183

Movements in the fair value of the Trust's share of scheme assets were as follows

	2015 £000	2014 £000
At 1 September	8,528	7,041
Expected return on assets	542	470
Actuarial gain / (loss)	(274)	(34)
Employer contributions	778	875
Employee contributions	293	275
Benefits paid	(125)	(99)
At 31 August	9,742	8,528

The estimated value of employer contributions for the year ended 31 August 2016 is £788,000.

The five-year history of experience adjustments is as follows

	2015 £000	2014 £001	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	(14,946)	(13,183)	(11,427)	(7,671)	(3,840)
Fair value of share of scheme assets	9,742	8,528	7,041	4,816	2,670
Deficit in the scheme	(5,204)	(4,655)	(4,386)	(2,855)	(1,170)
Experience adjustments on share of scheme assets					
Amount (£000)	(274)	(34)	396	155	(20)
Experience adjustments on scheme liabilities					
Amount (£000)	-	201	-	-	-

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23 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The following are the principal assumptions used in the 3 local authority pension funds

Principal actuarial assumptions

	----- 2015 -----			----- 2014 -----		
	From %	To %	Average %	From %	To %	Average %
Rate of increase in salaries ¹	3.6	4.5	4.0	3.6	4.5	3.9
Rate of increase for pensions in payment / inflation	2.1	2.7	2.4	2.1	2.7	2.3
Discount rate for scheme liabilities	3.8	4.0	3.9	3.7	4.0	3.9
Inflation assumption (CPI)	2.1	2.7	2.4	2.1	2.7	2.3
Commutation of pensions to lump sums (pre April 2008/April 2010 service)	50.0	70.0	56.7	50.0	70.0	56.7
Commutation of pensions to lump sums (post April 2008/April 2010 service)	50.0	70.0	56.7	50.0	70.0	56.7

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

	----- 2015 -----			----- 2014 -----		
	From yrs	To yrs	Average yrs	From yrs	To yrs	Average yrs
<i>Retiring today</i>						
Males	22.1	24.5	23.2	22.0	24.4	23.1
Females	25.5	27.7	26.6	25.4	27.6	26.5
<i>Retiring in 20 years</i>						
Males	24.2	26.6	25.4	24.1	26.5	25.3
Females	28.4	30.0	29.1	28.3	29.9	29.0

Trust's share of Assets and weighted average expected rate of return ²

	%	%	%	%	%	%
Equities	6.5	6.5	6.5	6.4	7.5	7.0
Government bonds/gilts	2.5	2.5	2.5	2.9	3.0	2.9
Bonds	3.6	3.6	3.6	3.3	3.8	3.6
Property	6.1	6.1	6.1	5.6	6.8	6.2
Cash/liquidity	0.5	0.5	0.5	0.5	2.9	1.5
Other	6.5	6.5	6.5	6.4	7.5	7.0

¹ Actuaries used the lowest rate in 2 academies and the highest in 1 academy

² Data is only available for one academy

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24 OPERATING LEASE COMMITMENTS

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

	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
Expiry date				
Within 1 year	-	-	33	32
Between 2 and 5 years	-	-	150	74
After more than 5 years	1,635	1,609	-	-
	<u>1,635</u>	<u>1,609</u>	<u>-</u>	<u>-</u>

25 RELATED PARTY TRANSACTIONS

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

Advantage has been taken of the exemptions stated in Financial Reporting Standard 8 from disclosing transactions and balances with related parties as the results of LAET are included within the group accounts of Academies Enterprise Trust.

26 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company and ultimate controlling party is Academies Enterprise Trust, a company registered in England and limited by guarantee. The results of LAET are included within the consolidated financial statements of Academies Enterprise Trust which are available from Kilnfield House, Station Approach, Hockley, Essex SS5 4HS.

27 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.