



The Leeds Jewish Free School  
(A Company Limited by Guarantee)

Annual Report and Financial Statements  
Year Ended 31 August 2013



## The Leeds Jewish Free School

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Reference and Administrative Details

Governors (Trustees)

Mr Alex Abrams	Appointed 25 May 2011
Mrs Vered Brash	Appointed 18 October 2013
Dr Jason Broch	Appointed 18 October 2013
Cllr Daniel Cohen	Appointed 25 May 2011
Mr Henry Cohen	Appointed 1 October 2012
Alan Dunwell	Appointed 25 May 2011
Rabbi Reuven Cohen	Appointed 25 May 2011
Rabbi Jason Kleiman	Appointed 25 May 2011
Mr Simon Myerson	Appointed 25 May 2011 Resigned 28 February 2013
Mr Spencer Weiner	Appointed 25 May 2011

Executive Headteacher	Mr Jeremy Dunford
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Principal and Registered Office	The Leeds Jewish Free School George Lyttleton Centre Wentworth Avenue Leeds United Kingdom LS17 7TN
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Company Registration Number	07647432 (England and Wales)
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Independent Auditor	Gibson Booth New Court, Abbey Road North Shepley Huddersfield HD8 8BJ <a href="http://www.gibsonboothuk.co.uk">www.gibsonboothuk.co.uk</a>
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Bankers	Lloyds Bank 1 <sup>st</sup> Floor 14 Church Street Sheffield LS1 1NX
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Solicitors	Ward Hadaway 1A Tower Square Wellington Street Leeds LS1 4DL
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## **Trustees' Report**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013. The Secretary of State for Education approved the school's plans on 11 July 2013 and issued the funding agreement to open the school in September 2013. The annual report and financial activities of the school company covered in this issue of the annual report and accounts relate to the principal activity of setting-up the school, the physical buildings, planning the curriculum, arranging teaching staff and the teaching and administrative support services.

## **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 Governors act as the trustees for the charitable activities of The Leeds Jewish Free School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Leeds Jewish Free School.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 3.

### 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.

### Principal Activities

The company was set up for the purposes of applying to open a free school for the provision of Jewish ethos education and life skills to key stage 3 and 4 pupils from the local and wider community.

### Method of Recruitment and Appointment or Election of Governors

All of the governors are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation.

The Members may appoint up to 14 governors.

The Members may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors.

The Principal shall be treated for all purposes as being an ex officio governor.

A minimum of 2 parent governors shall be elected by parents of registered pupils at the free school.

The Governing Body shall appoint a person who is the parent of a registered pupil at the free school, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the free school. Any election of parent governors which is contested shall be held by secret ballot.

The Governors may appoint co-opted governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the Academy Trust as a co-opted governor if thereby the number of governors who are employees of the Academy Trust would exceed one third of the total number of governors (including the Principal).

## **Trustees' Report (continued)**

### Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need in order to undertake their role as Governors.

### Organisational Structure

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

A senior management team (SMT) will control the school at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the team will be responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Currently the Executive Headteacher controls the school at an executive level implementing the policies laid down by the Governors and reporting back to them. As the school expands an SMT will be created and will support the Executive Headteacher in this role. The Executive Headteacher is responsible for the appointing of all staff, with the involvement of key Governors until the SMT has been created.

### Risk Management

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas and in relation to the control of finance.

The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

### Connected Organisations including Related Party Relationships

The school operates from dedicated buildings on the site of the Brodetsky Jewish Primary School and shares a number of resources and facilities with this local authority voluntary aided school. The Head Teacher of the Brodetsky Jewish Primary School is the Executive Head Teacher of the Leeds Jewish Free School. Other staff at the Brodetsky Jewish Primary School will provide teaching and support services to the Leeds Jewish Free School from 1 September. Other connected organisations include, Brodetsky Schools Ltd which provides staffing and other support services to both schools, 'The Zone' (a local community group) that provides extra curriculum activities outside of school's timetabled classes and the Brodetsky Jewish Primary School Foundation Trust which is the beneficial owner of the land and the primary school buildings.

### Public Benefit

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

### Objectives and Activities

#### **Objectives and Aims**

The Leeds Jewish Free School is an Orthodox Jewish School committed to excellence in learning, education and achievements. We value the contribution of all members of our community: children, staff, parents, governors and friends. We provide a warm, caring, friendly atmosphere and a safe and ordered environment in which 'Every Child Matters'.

We want all children to leave the Leeds Jewish Free School happy, well-educated and proud to be Jewish.

## Trustees' Report (continued)

### Aims

Offer high quality education within a strong Orthodox Jewish ethos that is available locally, accessible to all irrespective of faith, specific needs or family financial capacity

We will ensure that no pupil has to leave the city, county and region to access the education their families want, and have an entitlement to

Ensure that underpinning all aspects of the educational planning will be the need to ensure our pupils are equipped for the world in which they will move into after education

Ensure that our teaching methods will ensure that they develop the capacity to learn independently, adapt to changing technologies and the demands of a global work place

Ensure that by operating in an innovative way, with secure partnerships across sectors and organisations the school will model to the pupils the world in which they will live and work

Meet the needs and aspirations of a community that is committed to Leeds and secure this commitment by providing a full educational path within their home city

### Objectives Strategies

The principal strategic objective is to enrol sufficient pupils in the next 4 years to achieve the target number of pupils and create an exciting and vibrant school dedicated to high educational standards in a rich and rewarding environment for pupils and staff

Implementing the curriculum across all the key stages will continue to be a key objective over the coming years to ensure the high standards required to attract parents and their children to the school and achieve high OFSTED assessments

Integrating the school into the community is an important strategic objective for the success of the school In the long term the new school aims to be part of the wider general and Jewish community in Leeds and surrounding areas

### Public Benefit

The provision of a secondary school in Leeds providing a Jewish ethos education provides significant public benefit to the local community Currently families who want a Jewish ethos based secondary education have to send their children to Manchester each day Children spend approximately a year of their school lives travelling Releasing children from long days and dangerous travelling over the Pennines every school day is a positive benefit for the Leeds and wider West and North Yorkshire communities In the longer term when the school achieves its strategic objectives there will be environmental benefits from fewer bus journeys to Manchester

### Achievements and Performance

The application to the Department of Education ("DfE") commenced in February 2013 and preliminary pre-opening approval was given in July 2013 Subsequently the DfE provided project support to undertake the various pre-opening work streams including public consultation, premises, staffing, finance and pupil recruitment Lead in funding including an educational support grant was made available to The Leeds Jewish Free School from October 2012

Apart from the planning of the curriculum and setting the ethos of the school the major project was the commissioning of the additional buildings and facilities for the new school This work was contracted by the Leeds Jewish Free School to the building company Wates The majority of this work was completed for the opening of the school in September 2013 Further construction work is on-going to complete a related project "The Zone", which will provide community and after school facilities for the new school

Progress on the various work streams was monitored through regular project steering group meetings These meetings were attended by school trustees and senior representatives from the Education Funding Agency ("EFA") and DfE together with the consultants engaged by the DfE to support the Leeds Jewish Free School team achieve readiness for opening

The school passed its Ofsted inspection and readiness for opening assessment in July 2013 with the Academy's funding agreement being approved by the DfE on 11 July 2013

## Trustees' Report (continued)

An Executive Headteacher was appointed in August 2013 and contractual arrangements with a local secondary school were agreed in July 2013 to deliver the curriculum when the Academy opened on 2 September 2013

In recognising the significant challenge undertaken and the support provided by many people and organisations, the trustees would like to thank all parties who were involved in supporting the journey in establishing The Leeds Jewish Free School

### Going Concern

The Academy's activities, together with the factors likely to affect its future development, performance and position are set out in the achievements review on page 6. The financial position of the company, its cash flows and liquidity position are detailed in the financial statements on pages 18 to 20.

The directors believe that the Academy is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Financial Review

During the period all of the Academy's operating income was obtained from the Department for Education (DfE) in the form of grants, the use of which is restricted to particular purposes. The funds received from the DfE and 'The Zone' during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The school received funds from the 'The Zone' to finance the building of 'The Zone' premises which are part of the same construction contract as the school's contract with Wates. These funds are shown as a current liability in the financial statements.

During the period ended 31 August 2013, total revenue expenditure of £119,704 was covered by grant funding from the EFA/DfE. The excess of income over expenditure for the period was £178,704.

At 31 August 2013 the net book value of fixed assets was £1,684,939 and movements in tangible fixed assets are shown in note 9 to the financial statements. The assets are to be used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy held fund balances at 31 August 2013 of £1,863,643 comprising a surplus of £178,543 restricted general funds and £1,684,939 restricted fixed asset fund and £161 unrestricted funds, (See Note 11).

### Financial and Risk Management Objectives and Policies

The following key principles outline the Leeds Jewish Free School's approach to risk management and internal control.

- the Board/Finance and Resources Committee has responsibility for overseeing risk management within the Leeds Jewish Free School as a whole
- an open and receptive approach to solving risk problems is adopted by the Board/Finance and Resources Committee
- staff and key volunteers support, advise and implement policies approved by the Board/Finance and Resources Committee
- Leeds Jewish Free School makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks
- all staff are responsible for encouraging good risk management practice within their areas of work
- key risks will be identified by the Board/Finance and Resources Committee/key employees and closely monitored on a regular basis

## Trustees' Report (continued)

### Principal Risks and Uncertainties

The Academy has undertaken work during the period to develop and embed a system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation

A risk register is maintained at the Academy and identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy

#### 1 Funding

The Academy has considerable reliance on continued government funding through the EFA. In the period ended 31 August 2013 100% of the Academy's revenue funding is government funded, and it is envisaged the majority of income for the foreseeable future will be derived from public sources

To mitigate this risk the academy will maintain and manage key relationships with the EFA, and will make every effort to ensure student numbers, the key driver of funding in the sector, will grow. In addition to EFA funding the school is seeking community contributions to support the enrichment of the curriculum and the school's activities

#### 2 Minimise the risk of litigation against the Academy

Governors are aware of the need to ensure that the risks of litigation from employees, suppliers, parents, students and other stakeholders are minimised to prevent reputational damage and financial loss. Insurance cover remains a necessity for risk mitigation in this area

#### 3 Ensure on-going cash solvency

Management prepare detailed forecasts and implement internal controls to minimise the possibility of unexpected financial losses. Scrutiny of the financial information by Governors helps ensure due diligence in all areas of financial planning and cash management

#### 4 School premises

Tight control over the quality of the building works has been maintained throughout the construction through the appointment of quantity surveyors and building control services. However, only when the building works are fully complete and occupied by the school will any risk of building deficiencies and additional costs be alleviated

### Reserves Policy

The Governors review the reserve levels of the Academy constantly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy is working towards a reserves policy that will allow changing needs to be addressed, and opportunities to be grasped

### Plans for Future Periods

The Leeds Jewish Free School will increase the choice of secondary school placement to parents of pupils with a Jewish ethos based education. The next 12 months will be focussed on establishing a strong combination of developing pupils' life skills and tailoring the curriculum to individual pupils' abilities and needs. As well as establishing the strong educational provision there will be a clear focus on recruitment using the evidenced progress being made by all pupils and the quality of the educational provision and resources. When inspected in 2015 it is anticipated that the school will be judged as at least good and potentially outstanding, which will further enhance recruitment



## Trustees' Report (continued)

### Funds held as custodian trustee on behalf of others

The school company is currently holding £723,770 on behalf of 'The Zone' to pay the construction company (Wates) who are in the process of completing the extension to the community premises adjacent to the Leeds Jewish Free School and Brodesky Jewish Primary School

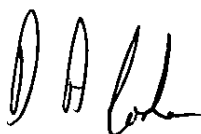
### Auditor

Insofar as the Governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Governors 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

Approved by order of the members of the governing body on 17 December 2013 and signed on its behalf by

Councillor Daniel Cohen



Chair of Trustees

## Governance Statement

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Leeds Jewish Free School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material mis-statement or loss.

The governing body has delegated the day-to-day responsibility of accounting officer to the Principal, for ensuring that 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 The Leeds Jewish Free School and the Secretary of State for Education. A trustee has been appointed as the Responsible Officer who is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Cllr Daniel Cohen (Chair)	7	7
Henry Cohen	4	7
Alex Abrams	7	7
Rabbi Reuven	7	7
Rabbi Jason Kleiman	7	7
Spencer Weiner	4	7
Alan Dunwell	6	7

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Leeds Jewish Free School for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

## Governance Statement (continued)

### The Risk and Control Framework

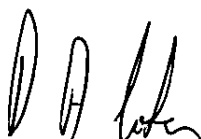
The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- setting targets to measure financial and other performance,
- delegation of authority and segregation of duties,
- identification and management of risks

During the forthcoming year, the governing body is considering the need for an appropriate level of independent checking of financial controls, systems and risks

The board of trustees has considered the need for a specific internal audit and has decided not to appoint an internal auditor. However, the trustees have appointed Mr Alan Dunwell, a trustee, as responsible officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis the RO will report to the board of trustees on the operation of the systems of control and discharge of the board of trustees' financial responsibilities following the opening of the school.

Approved by order of the members of the governing body on 17 December 2013 and signed on its behalf by



Councillor Daniel Cohen  
Chair of Trustees



Mr Jeremy Dunford  
Accounting Officer

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

As accounting officer of The Leeds Jewish Free School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

A handwritten signature in black ink, appearing to read 'J. Dunford', with a large initial 'J' and a stylized surname.

Mr Jeremy Dunford  
Accounting officer

## Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of The Leeds Jewish Free School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

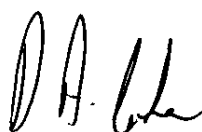
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the governing body on 17 December 2013 and signed on its behalf by



Councillor Daniel Cohen  
Chair of Trustees

## **Independent Auditor's Report on the Financial Statements to the Members of the Leeds Jewish Free School**

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

This report is made solely to the academy trust'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 trust's members 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 charitable company and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 13, the Governors, who are also the directors of the academy trust for the purpose 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 (APB'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 trust'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. 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 trust's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

**Independent Auditor's Report on the Financial Statements to the Members of the Leeds Jewish Free School (continued)**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' 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

Alistair Russell FCA  
Senior Statutory Auditor for and on behalf of  
Gibson Booth  
New Court, Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

19/12/13

## Independent Reporting Accountant's Assurance Report on Regularity to The Leeds Jewish Free School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Leeds Jewish Free School during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

### Respective responsibilities of The Leeds Jewish Free School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Leeds Jewish Free School's funding agreement with the Secretary of State for Education dated 11 July 2013 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes

- an initial risk assessment, the result of which were used to tailor a specific work programme to ensure sufficient appropriate audit evidence could be obtained to support the conclusion,
- a review of the academy trust's accounting and internal control procedures, and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.



**Independent Reporting Accountant's Assurance Report on Regularity to The Leeds Jewish Free School  
and the Education Funding Agency (continued)**

**Conclusion**

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

Gibson Booth  
New Court, Abbey Road North  
Shepley,  
Huddersfield  
HD8 8BJ

Date 19/12/13

**Statement of financial activities for the year ended to 31 August 2013 (including income and expenditure account and statement of total recognised gains and losses)**

	Notes	Unrestricted Funds	General Funds	Fixed Asset Funds	Total 2013	Total 2012
		£	£	£	£	£
<b>Incoming resources</b>						
Incoming resources from generated funds						
Investment Income	2	161	-	-	161	-
Incoming resources from charitable activities						
Funding for the Academy's educational operations	3	-	300,000	1,683,268	1,983,268	-
Funding for "The Zone" building project		-	723,770	-	723,770	-
<b>Total incoming resources</b>		161	1,023,770	1,683,268	2,707,199	-
<b>Resources expended</b>						
Charitable activities						
Academy's educational operations	5	-	116,286	-	116,286	-
Governance Costs	6	-	3,500	-	3,500	-
<b>Total resources expended</b>	4	-	119,786	-	119,786	-
<b>Net incoming resources before transfers</b>		161	903,984	1,683,268	2,587,413	-
<b>Transfers</b>						
Gross transfers between funds	12	-	(1,671)	1,671	-	-
Transfer of funds held in trust to liabilities	12	-	(723,770)		(723,770)	
<b>Net income for the year</b>		161	178,543	1,684,939	1,863,643	-
<b>Net movement in funds</b>		161	178,543	1,684,939	1,863,643	-
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2012		-	-	-	-	-
<b>Total funds carried forward at 31 August 2013</b>	12	161	178,543	1,684,939	1,863,643	-

All of the academy's activities derive from continuing operations during the financial period

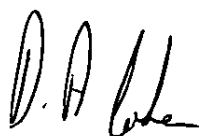
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Notes on pages 21 to 27 form part of the financial statements

## Balance Sheet as at 31 August 2013

	Notes	2013		2012	
	g	£	£	£	£
<b>Fixed Assets</b>			<b>1,684,939</b>		-
<b>Current Assets</b>					
Debtors	10	859,394		-	
Cash at bank		<u>935,447</u>			
		<b>1,794,841</b>		-	
<b>Creditors: Amounts falling due within one year</b>	11	<b>1,616,137</b>			-
<b>Net Current Assets</b>			<b>178,704</b>		-
<b>Net Assets</b>			<b>1,863,643</b>		-
<b>Restricted Reserves</b>					
General funds	12		178,543		-
Fixed asset reserve	12		<u>1,684,939</u>		-
<b>Total Restricted Reserves</b>			<b>1,863,482</b>		-
<b>Unrestricted funds</b>					
General funds	12		<u>161</u>		-
<b>Total Unrestricted funds</b>			<b>161</b>		-
<b>Total Funds</b>			<b>1,863,643</b>		-

The financial statements on pages 18 to 27 were approved by the trustees and authorised for issue on 17 December 2013 and signed on their behalf by



Councillor Daniel Cohen  
Chair of Trustees

Notes on pages 21 to 27 form part of the financial statements

## Cash Flow Statement for the year ended 31 August 2013

		£ 2013	£ 2012
Net cash inflow from operating activities	15	936,957	-
Returns on investments and servicing of finance	15	161	-
Capital Expenditure	15	(1,671)	-
Increase in cash in the period		<u>935,447</u>	<u>-</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 31 August 2012		-	-
Net funds at 31 August 2013		<u>935,447</u>	<u>-</u>

Notes on pages 21 to 27 form part of the financial statements

## **Notes to the financial statements**

### **1 Statement of Accounting Policies**

#### **Basis of Preparation**

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

#### **Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming Resources**

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

#### **Grants Receivable**

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

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

#### **Sponsorship Income**

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

#### **Donations**

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

#### **Other Income**

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

#### **Donated Services and Gifts in Kind**

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

#### **Resources Expended**

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

## Notes to the financial statements for the year ended 31 August 2013 (continued)

### 1 Statement of Accounting Policies (continued)

#### Charitable Activities

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

#### Governance Costs

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

All resources expended are inclusive of irrecoverable VAT

#### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on the following basis over its expected useful life, as follows:

- Freehold buildings 2% (straight line)
- Long leasehold buildings 2% (straight line)
- Fixtures, fittings and equipment 15% (reducing balance)
- ICT equipment 20% (straight line)

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.

#### 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.

#### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/other 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 Education Funding Agency/Department for Education.

## Notes to the financial statements for the year ended 31 August 2013 (continued)

### 2 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
Short term deposits	161	-	161	-
	<u>161</u>		<u>161</u>	

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

	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
<b>DfE/EFA grants</b>				
Start-up grants	-	300,000	300,000	-
Capital grants	-	1,683,268	1,683,268	-
Total DfE/EFA Grants	<u>-</u>	<u>1,983,268</u>	<u>1,983,268</u>	<u>-</u>

### 4 Resources Expended

4 Resources Expended	Staff Costs	Non pay expenditure	Other 0	Total	Total
		Premises	9oCosts	2013	2012
	£	£	£	£	£
Academy's educational operations					
Allocated support Costs	-	-	119,786	119,786	-
	-	-	119,786	119,786	-
Governance costs included in allocated support costs			3,500	3,500	-
Costs excluding governance costs	-	-	116,286	116,286	-

Incoming/outgoing resources for the year include	2013	2012
	£	£
Fees payable to auditor - audit	<u>3,000</u>	<u>-</u>

## Notes to the financial statements for the year ended 31 August 2013 (continued)

5 Charitable Activities – Academy's educational operations	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Allocated support costs</b>				
Project Management	-	53,624	53,624	-
Legal Costs	-	35,771	35,771	-
Salary Recharges	-	11,653	11,653	-
Marketing	-	10,637	10,637	-
Recruitment	-	2,172	2,172	-
Travel	-	824	824	-
Other costs	-	1,605	1,605	-
	-	116,286	116,286	-

6 Governance costs	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	500	500	-
Auditors' remuneration Audit of financial statements	-	3,000	3,000	-
	-	3,500	3,500	-

7 Staff costs	Total 2013 £	Total 2012 £
Non-contracted staff costs	11,653	-
	11,653	-

During the period the school did not directly employ any staff

The non-contracted staff costs above relate to service costs for the Executive Headteacher and finance officer. The payment to the finance officer was for the time spent during the establishment of the school and absent from his substantive post. The payments were made by Brodetsky School Limited which operates the payroll on behalf Brodetsky Primary School and recharged to the Leeds Jewish Free School.

## 8 Trustees' remuneration and expenses

The Executive Headteacher as a trustee only receives remuneration in respect of services he provides undertaking the role of principal and not in respect of his services as a trustee. Other trustees did not receive any payments.

Payments to Jeremy Dunford the Executive Headteacher were within the following band:

£5,000 - £10,000 1

No expenses were reimbursed to other trustees.

Other related party transactions involving the trustees are set out in note 16.



## Notes to the financial statements for the year ended 31 August 2013 (continued)

<b>9 Tangible Fixed Assets</b>	<b>Buildings</b>	<b>IT Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 31 August 2012	-	-	-
Additions	1,563,793	121,146	1,684,939
Disposals	-	-	-
At 31 August 2013	1,563,793	121,146	1,684,939
<b>Depreciation</b>			
At 31 August 2012	-	-	-
Charged in year	-	-	-
Disposals	-	-	-
At 31 August 2013	-	-	-
<b>Net book values</b>			
At 31 August 2013	1,563,793	121,146	1,684,939
At 31 August 2012	-	-	-
	<b>31 Aug 2013</b>	<b>31 Aug 2012</b>	
<b>Capital commitments</b>	<b>£</b>	<b>£</b>	
Contracted but not provided for in the financial statements	1,565,049	-	

No depreciation was charged as the assets were acquired during August 2013 and were for use at the start of the school's opening in September 2013

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>10 Debtors</b>		
Trade debtors	144,270	-
Prepayments and accrued income	469,028	-
VAT recoverable	245,693	-
	859,395	-
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>11 Creditors: amounts falling due within one year</b>		
Trade creditors	166,876	-
Other creditors	967,028	-
Accruals	482,233	-
	1,616,137	-

## Notes to the financial statements for the year ended 31 August 2013 (continued)

12 Funds	Balance at 1 September 2012	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2013
	£	£	£	£	£
<b>Restricted general funds</b>					
Other DfE/EFA grants and other income	-	1,023,770	(119,786)	(725,441)	178,543
<b>Total restricted general funds</b>	-	1,023,770	(119,786)	(725,441)	178,543
<b>Restricted fixed asset funds</b>					
Capital expenditure from revenue	-	-	-	1,671	1,671
Capital expenditure from DfE/EFA grants	-	1,683,268	-	-	1,683,268
<b>Total restricted fixed asset funds</b>	-	1,683,268	-	1,671	1,684,939
<b>Unrestricted Funds</b>					
Investment income	-	161	-	-	161
<b>Total Unrestricted Funds</b>	-	161	-	-	161
<b>Total Funds</b>	-	2,707,199	(119,786)	(723,770)	1,863,643

13 Analysis of net assets between funds	Unrestricted general fund	Restricted general fund	Restricted fixed asset funds	Total 2013
	£	£	£	£
Fund balances at 31 August 2013 are represented by				
Tangible fixed assets	-	-	1,684,939	1,684,939
Current assets	161	1,794,680	-	1,794,841
Current liabilities	-	(1,616,137)	-	(1,616,137)
<b>Total net assets</b>	161	178,543	1,684,939	1,863,643

## 14 Financial Commitments

The academy is committed to expenditure of £1,325,359 over the next five years for the provision of the services required to deliver its curriculum. The contract includes an annual review of the contractor's performance and future costs in relation to staffing levels and the number of pupils in each year. The commitment for the year ended 31 August 2014 is £113,332.

## Notes to the financial statements for the year ended 31 August 2013 (continued)

15 Reconciliation of consolidated net income to net cash inflow from operating activities	2013 £	2012 £
<b>Net Income</b>	2,587,413	-
Capital grants from the DfE/EFA	(1,683,268)	-
Interest receivable	(161)	-
Funds held in trust on behalf of 'The Zone'	(723,770)	-
(increase)/decrease in debtors	(859,394)	-
increase/(decrease) in creditors	1,616,137	-
<b>Net cash inflow from operating activities</b>	<b>936,957</b>	<b>-</b>
	-	-
Returns on Investments and servicing of finance		-
Interest received	161	-
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>161</b>	<b>-</b>
	-	-
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,684,939)	-
Capital grants from DfE/EFA	1,683,268	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(1,671)</b>	<b>-</b>

### Analysis of changes in net funds

	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	-	935,447	935,447

### 16 Pensions

The school company did not employ any staff during the financial year and there are no pension liabilities

### 17 Related party transactions

There are no related party transactions

### 18 Members' liability

Each member of the academy trust 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