

Company Registration Number: 07657923 (England and Wales)

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

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**LEADING EDGE ACADEMIES PARTNERSHIP
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Karkeek J P Field D Elliott S Cade J Eason
Trustees	J Eason, Chair ^{1,2} S J Davey, Chief Executive Officer ^{1,2} S Alexander (resigned 3 October 2019) ² G Anderson (appointed 23 April 2019) ² R Webb, Vice Chair ¹ P Gay ² J Osborne ¹ D Sharp ^{1,2} P Roe (resigned 23 April 2019) ² C Finch (resigned 6 September 2019) ² O O'Connell (resigned 10 December 2018) JP Field (resigned 1 September 2018)
	¹ Compliance Committee ² Education Committee
Company registered number	07657923
Company name	Leading Edge Academies Partnership
Principal and Registered office	Boscathnoe Lane Heamoor Penzance Cornwall TR18 3JT
Company secretary	H Rodgers (resigned 1 March 2019) L Sadler (appointed 1 March 2019)
Accounting Officer	S Davey
Senior Leadership Team	S Davey, Executive Principal & CEO A Harvey, Chief Operating Officer K Butcher, Executive Principal Primary L Sadler, Executive Assistant
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Chy Nyverow Newham Road Truro Cornwall TR1 2DP

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Bankers	Lloyds Bank PLC Market House Penzance Cornwall TR18 2TN
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
Actuary	Hymans Robertson LLP One London Wall London EC2Y 5EA

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Leading Edge Academies Partnership operates as a Multi Academy Trust that includes five academies for pupils aged 3 to 16 in Cornwall and the Isles of Scilly. Its academies have a combined pupil capacity of 3,000 and had a roll of 971 Mounts Bay Academy (MBA), 568 Fowey River Academy (FRA), 259 Five Islands Academy (FIA), 239 St Hilary School (HIL), 200 Ludgvan School (LUD) in the school census on 4 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on the 1st August 2018 and opened as a Multi Academy Trust with just one member, Mounts Bay Academy, on the same date. The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Leading Edge Academies Partnership are also the directors of the charitable company for the purposes of company law. The Charitable Company operates as 'Leading Edge Academies Partnership'.

The Academies who have joined the MAT over the year include Five Islands Academy (1st January 2019) as a Sponsored Academy, St Hilary School and Ludgvan School (1st April 2019) as Converter Academies and finally Fowey River Academy (1st May 2019) as a re-brokered Academy from the Adventure Learning Academies Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

**Trade union facility time
Relevant union officials**

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10.

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 £1 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st August 2018 the new organisation called 'Leading Edge Academies Partnership' came into existence. The founding Members of the new Trust appointed the Trustees from a group that had served as the Shadow Trust Board from March 2018. The Trustees included representative Governors from the five 'founding Academies'; Mounts Bay Academy, Five Islands Academy, Ludgvan School, St Hilary School and St Buryan Academy. All the Trustees were approved by the DFE who had ensured that there was a wide skill set being brought to the Trust.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 6 Trustees who are appointed by Members;
- Up to 2 Trustees who are representatives from the diocese;

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Up to 2 co-opted Trustees who are appointed by the Trustee Board: and
- The CEO who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four-year period, although this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

The diocese body called 'Askel Veur' is empowered to appoint two Trustees.

When appointing new Trustees, consideration will be given by the Board to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Multi Academy Trust has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but will always include a visit to one of the Academies with an opportunity to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees in the form of a Governance Handbook. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies such as the NGA.

A training day for Trustees is organised each year, which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets once each quarter. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 2 committees as follows:

- **Compliance Committee** - this Committee meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget, including setting staffing levels. It also incorporates the role of an audit, admissions, premises and personnel committee.
- **Education Committee** – this Committee meets once a quarter to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral and student welfare issues, including attendance.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the CEO and Clerk to the Trustees, to approve the MAT Annual Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Board of Trustees have devolved responsibility for day to day management of the Trust to the CEO who

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**TRUSTEES' REPORT (CONTINUED)
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works with the five Headteachers and their Senior Leadership Teams (SLT). The SLTs of each of the Academies comprise the Headteacher, Deputy Headteachers, the Assistant Headteacher and in some instances Associate Assistant Headteachers. The Headteachers and SLTs in each school implement the policies laid down by the Trustees and CEO. Decisions on policy are developed with the guidance of the Executive Headteacher group. The Headteachers report to the CEO on their performance and the CEO reports to the Chair of the Trustees.

The Multi Academy Trust has a leadership structure which consists of five Members, up to ten Trustees, an Executive Leadership Team and separate Academy Senior Leadership Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The MAT Executive Leadership Team (ELT) consists of the CEO, the COO, the Headteachers/ Principals of the five Academies and the Executive Assistant. The CEO as Accounting Officer, COO, Multi-Academy Trust Finance Director and the Compliance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders, which must be authorised in line with the Scheme of Delegation. The individual Headteachers, in consultation with the CEO, are responsible for the appointment of staff, though appointment panels for teaching posts should always include a Local Governor where possible.

The Academy Trust comprises two secondary schools, two primary schools and one all through school. Each school has its own Local Governor Committee responsible for day-to-day operations and management of the school. The budget responsibility is held with the Trustees and CEO/Accounting Officer.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel including the CEO, COO and the Clerk to the Trustees is reviewed annually by the Trustees and the pay is normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Multi Academy Trusts of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

The Leading Edge Academies Partnership has a wide range of organisations in its network. The Trust has international links with a number of schools in America, Africa, Asia and Europe, as well as international companies, such as 'Apple' and 'Google' who support digital learning with free training and materials. It is also part of the global network of world class schools called 'High Performance Learning'.

In addition, it has national links with the following organisations: the Challenge Partner Network of Excellence, the Princes Teaching Institute, the SSAT and Whole Education network, the Innovation Unit and PIXL, who all help provide high quality CPD. Most recently, the Trust has been nominated via Mounts Bay Academy as a regional Associate Research School in addition to its National Teaching School Status and works with the Education Endowment Foundation to support the dissemination of recent educational research.

Locally, the Academies are creating active links with their communities to enrich the curriculum and support the development of cultural capital. The links are with sports associations, arts bodies, environmental groups and STEM organisations. The Academies open their facilities to the community and offer services, such as Football Association courses and events to name just one of many.

The Trust has no related parties that control or significantly influence the decisions or operations of the organisations' schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing Leading Edge schools that offer a very broad range of curriculum opportunities for pupils of different abilities. All Academies in the Trust do this by having a strong emphasis on values-based education and in one case, at Five Islands Academy, this is explicitly Christian in its teaching. The vision for all schools in the Trust is to provide 'World Class Education for Global Learners' and all the schools use the UN Global Goals to focus project work. The Trust bases all its decisions on six core values. These are our six Es and they include the following:

- Ethical Behaviour
- Excellence
- Evolution
- Empathy
- Endurance
- Equity

These values also inform the 'Learner Habits' or expected behaviour for all staff and students in the Trust. They are evident in the ethos of the organisation and support our collective aim of developing an affirmative culture for all.

The aims of the Academy Trust during the year ended 31 August 2019 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils (Excellence).
- To develop positive relationships of trust and collaboration that will support well-being for all (Empathy).
- To develop learners who are resilient and flexible in changing times (Endurance).
- To provide an innovative, broad and balanced curriculum, including extra curricular activities based on the latest educational research (Excellence).
- To develop students as more effective learners and responsible citizens (Ethical Behaviour).
- To develop the learning environments and premises in each school so that it enables students to achieve their full potential (Equity).
- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care (Equity).
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review (Evolution).
- To provide value for money for the funds expended, (Efficiency and Effectiveness).
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness (Ethical Behaviour).

Objectives, Strategies and Activities

Key priorities for the year are contained in our MAT Strategic Plan and the linked MAT Educational Improvement Plan, which are available on the website www.leadingedgeacademies.org, as well as from the Trust's Executive Team at Mounts Bay Academy.

There are four Strategic Priorities. We aim to develop:

- Leading Edge Curriculum - we are aiming to achieve the Values-Based Education Award by July 2020 in all 5 Academies.
- Leading Edge Ethos and Culture - we aim to achieve either the Arts Award or School Games Awards by July 2020 in all 5 Academies.
- Leading Edge Community Partners - we aim to develop 3-5 REAL Projects that link to our local community contexts.

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- Leading Edge Professional Services - we aim to set up strong teams of staff in finance, HR, premises, IT and safeguarding by sharing expertise and support across all Academies.

The MAT Educational Improvement Plan foci identified by the Executive Heads Team for this year include:

- Literacy - using the EEF Toolkit strands.
- Numeracy - using the Maths Hub support and the EEF Toolkit strands.
- Digital Technology - using the EEF Toolkit strands.
- EEF Research-based top impact pedagogies such as meta-cognition and feedback.

These will all be supported by the Research School network and there will be project leaders in each Academy for each focus. The support and sharing will take place in regular Research School meetings and the use of Basecamp as a project management tool.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit, education in Cornwall and the Isles of Scilly. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy Trust we have a duty to support other local schools. In particular, the secondary schools support the local Primary schools through use of our premises and specialist skills in all subjects.

STRATEGIC REPORT

Achievements and Performance

The Academy Trust has grown from one school to five over the last year. The school that has been part of the MAT for a full year is Mounts Bay Academy. They joined in August 2018. All of the other schools joined from January 2019 onwards. The achievements and performance of all schools will be included but for three of the schools they have only been part of the Trust for 3-4 months, therefore it would be difficult to assess whether their performance was linked to the Trust's support in any meaningful way.

All schools in the Trust achieved average progress scores compared to the national average for 2018, using the key benchmark published by the government. The attainment scores were above the county and national average in most of the schools except Fowey River Academy, which has just joined the Trust. The aim is to move from average to above or well above average in 2020 by recruiting high quality staff and developing excellent resources for all students.

The provisional secondary progress figures are as follows and all fall within the 'Average' category:

- Mounts Bay Academy 0.1
- Five Islands Academy 0.3
- Fowey River Academy 0.17

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The provisional primary figures are as follows:

- Five Islands Academy -0.7 reading, -1.4 writing, -1.7 maths
- St Hilary School 0.9 reading, 0.8 writing, -1 maths
- Ludgvan School -0.9 reading, 1.5 writing, -2.1 maths

The priority for all of the schools is to improve Mathematics and also the performance of the HPA students, particularly the High Prior Attaining boys. In the majority of the Trust's schools, the performance of disadvantaged students could also improve. These are a particular foci of the Teaching School CPD programme and feature in all the Academy Improvement Plans for 2020.

The secondary schools have a stronger than average entry rate and success for EBACC subjects compared to other schools in Cornwall. The attainment rate was also strong overall with Fowey River gaining a score equal to other schools in Cornwall, with Mounts Bay and Five Islands gaining a score of 3-5 above the average A8 score. FRA, 35%, MBA, 42% and FIA 43% scores in the 5+ including English and Maths was respectable, as the county average was 38%. It was Maths that reduced this score in all three schools and therefore it is a key focus this year.

The recent Ofsted Report at Fowey River Academy in September 2019 comments on an improving picture but they are still graded 'Requires Improvement' overall. Five Islands Academy is a new school so it has no Ofsted rating. Their Boarding Provision is inspected by Social Care and has just been graded as 'Good' overall. Mounts Bay Academy and Ludgvan School both have 'Outstanding' grades and St Hilary has a 'Good' Ofsted grade.

Numbers on roll remain steady in all of the schools but there has been a fall at Fowey River Academy as a direct consequence of 30 students leaving as a result of the Panorama Programme, which contributed to the Academy being re-brokered into the Leading Edge Academies Partnership in May 2019.

All three secondary schools have been accepted onto the 'High Performance Learning' programme led by Professor Deborah Eyre, to develop into World Class Schools. All schools have invested in IT infrastructure and resources. Three of the schools now have one-to-one digital tablets to support the personalised learning agenda.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the amount of carry forward is restricted to 12%/the restriction has been removed in the year. In period under review, £59,046 was carried forward representing 0.7% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 are 2237 remaining steady with a dip for Fowey, however these are set to increase under the new Leadership.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 89%, compared to 87% in 2018.

	Target	Actual
Total unrestricted funds balance	£193,401	£816,590
Pupil to teacher ratio	-	15.6
Teaching to non-teaching staff ratio	-	1.3
Student attendance	-%	94.8%
Ratio of staff costs to income	80.0	71.0

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2019, the Trust received total income of £10,946,689 and incurred total expenditure of £10,652,773. The excess of income over expenditure for the year was £293,915.

At 31 August 2019 the net book value of fixed assets was £34,411,178 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The land, buildings and other assets were transferred to the Academy upon conversion. Assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately 5% of the GAG. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. The level of reserves are reviewed and cash flow regularly monitored to ensure that immediate financial commitments can be met.

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**TRUSTEES' REPORT (CONTINUED)
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Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year the vast majority of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy Trust has appointed a Local Authority internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every quarter. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Compliance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability.

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However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Academy Trust may participate in fundraising activities for specific charities where the income received is paid in full to the charity, for example Sports Relief or Children in Need. The recipient of the donations is made clear to parents in advance and all contributions are voluntary. Where a friends or parent teacher association which actively raises funds on behalf of the Trust, the association's fundraising standards are defined in its constitution and it works closely with the Trust to ensure its approach is consistent with the Trust's values. The Trust does not work with, or have any oversight of, any commercial participators or professional fundraisers. No complaints have been received in the year regarding fundraising activities.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Following the notification of a successful capital funding bids, the Academy Trust will complete the necessary works needed for the Fowey River premises and build an additional classroom at St Mary's Base on the Isles of Scilly. This will be using grant funding only and it will not use any reserves.

Disclosure of information to auditors


In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office and a resolution to appoint will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10-12-19 and signed on its behalf by:



**J Eason
Chair of Trustees**

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Leading Edge Academies Partnership 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 CEO, 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 Leading Edge Academies Partnership 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.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 8 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
J Eason, Chair	6	8
R Webb, Vice Chair	7	8
J Osborne	7	8
P Gay	8	8
D Sharp	7	8
S J Davey, Chief Executive Officer	8	8
P Roe	4	6
C Finch	4	8
S Alexander	5	8
G Anderson	1	1
O O'Connell	0	0

Changes in the Composition of the Board 2018-2019

The Leading Edge Academies Partnership Shadow Board of Trustees became the Leading Edge Trustees officially on the 1st August 2018. The original group of Trustees were ten in number and were all approved by the DfE. This first group of Trustees were linked to their original Academy Boards as Chairs or ex Chairs and they were in post to oversee the effective move of their Academies from being Single Academy Trusts to the new Multi Academy Trust. Over the course of the year, this temporary arrangement has changed meaning there is far less overlap between the layers of Governance. Some of the personnel have resigned to return to the Local Governor level and others have left for different personal reasons. In total, two Trustees have resigned and one was removed. Over the year, two Trustees have been recruited using a skills-based audit, allowing the Board to replace the people who have left with external and independent Trustees.

The Coverage of the Work of the Board

The Trustees have a detailed Governance Handbook that communicates the scope of their work and their functions. The Handbook includes a calendar of meetings for the year, key documents such as the Scheme of Delegation, Code of Conduct and detailed role descriptions, as well as other useful information. All essential documents can be located on the Trust's website at leadingedgeacademies.org and all paperwork is communicated via a project management tool called 'Basecamp'.

The Trustees have set up two Committees to organise the key business of the organisation. The Education Committee sets policy and scrutinises all aspects of the key education objectives of the Trust. The Compliance Committee sets policy and scrutinises the business and compliance objectives of the Trust. The two Committees meet before the Full Board meetings to ensure the effective and detailed scrutiny of all proposals before they are presented to the Full Board for approval. During the first year of the Trust there have also been some emergency Board meetings with single item agendas to discuss key decisions, including the transfer of schools into the Trust and other internal matters. There are also smaller Committees for the CEOs Performance Management and Student and Staff Discipline and Pay Appeals.

Performance of the Board including Key Challenges

The Chair of Trustees and the CEO have both completed DfE recommended 'Self-Assessment Frameworks' to evaluate their work and the effectiveness of the organisation this year. This has helped prepare both colleagues for the Members Meetings where the main agenda items have been to challenge the Trust Chair and on occasions the CEO about the workings and progress of the Board over the last year. In addition to the internal challenge, the Chair and CEO have been challenged about the overall performance of the Trust this year by the yearly RSC Review meeting and in three Ofsted inspections. These have all been led by senior HMIs and other Ofsted Inspectors. They have reviewed Governance at Five Islands Academy before conversion and Fowey River Academy after re-brokering into the Trust in September 2019. Their findings include the following comments;

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

“school leaders are unstinting in their work to improve all aspects of the school” and “since the school has formally joined the Leading Edge Academies Partnership in May 2019 even more rapid improvement has been seen”. Governance was praised as being a strength in the informal feedback.

The challenges identified include the recruitment of new trustees to replace Trustees that have decided to stand down. This is currently being addressed. Other challenges include the succession planning of the Chair and Vice Chair and it has been agreed a two-year cycle of tenure should be set up, including coaching for incumbent Vice Chairs, to ensure they have the confidence and skill set to take over without an implementation dip. Finance has been a challenge faced by all Academy Trusts in the country this year. This area has been closely scrutinised by the Board and with careful budget monitoring they have ensured that there are sufficient reserves for good financial management protocol going forward.

Information and Data used by the Board

The Trust receives reports from the CEO and COO and also the Executive Head (Primary) which include full sets of comparative data using agreed Key Performance Indicators (KPIs) that have been reviewed and adapted by the Full Board over the year. The Board has evaluated the level of detail they require compared to the Local Academy Committees and have agreed that the data is sufficiently strategic and robust to allow them to make rational and objective decisions. This is constantly reviewed by the Board as the MAT grows.

Governance Review

The Trust has carried out a review of its performance using the MAT Capacity Improvement Framework from the RSC Office and the development areas that will be priorities are as follows:

- The development of MAT-wide recruitment and retention policies need to be developed at all levels
- A clear talent development policy needs to be written and agreed
- Middle leaders need to be offered more subject specialist professional development opportunities
- A clear curriculum policy needs to be established by all stakeholders in light of the new Ofsted expectations
- MAT-wide assessment procedures need to be embedded
- Benchmarking against like schools needs to be custom and practice
- A formal Complaints Log across all Academies is about to be set up and reviewed as part of the work of the Compliance Committee

The Trust is expecting to take part in a MAT Review with the National organisation called 'Challenge Partners' in March 2020 and there will also be an external review carried out by the RSC office in December 2019.

The Compliance Committee is a sub-committee of the main board of Trustees. Its purpose is to review and propose new policies to the Full Board in the following key areas: Finance, staff pay and conditions, staff performance management, health and safety compliance and scrutiny of reports, premises bids and development and implementation of plans, IT infrastructure decisions, complaints and other administrative functions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Eason	5	5
R Webb	4	5
S Davey	5	5
J Osborne	4	5
D Sharp	4	5

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Education Committee is also a sub-committee of the main board of Trustees. Its purpose is to review all areas that will be inspected by Ofsted including educational outcomes, curriculum provision, behaviour and attitudes, personal development and educational leadership and management.

The Committee has supported and reviewed the action plans developed as a result of Ofsted Inspections and the yearly review in each Academy after assessment and examination results. Particular issues that have been considered this year have been the plan and its implementation to ensure that Five Islands Academy moves from 'Inadequate' to 'Good' at the school as well as the Boarding House over the year. A great deal of progress has been evident in educational matters with the appointment of some excellent new staff and good training of existing staff. The recent Boarding House Ofsted has graded this area as overall 'Good', with some areas still requiring improvement.

The re-brokering of Fowey River Academy and the review of the recent Ofsted report has also been an important area for Governance. This new Academy within the Trust has shown improvement in the short time it has been involved, with the Ofsted Inspectors grading the Personal Development category as 'Good' with all other areas still requiring improvement, especially curriculum planning and reading. This inspection has helped inform a new MAT Improvement Plan for the Trust which was agreed at a joint meeting of Trustees and members of all the Academy Local Governors.

During the year Gary Anderson joined the Committee and Sarah Alexander and Phil Roe left.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Alexander	2	3
G Anderson	1	1
P Roe	1	2
C Gay	2	3
S Davey	3	3

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As accounting officer, the CEO 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching using the preferred model of 'Curriculum Led Financial Planning'.
- Reviewing the quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote an example being insurance.

Examples of effective value for money savings this year include the switch to green energy suppliers of the main services, which has also saved considerable sums of money. Another example of delivering value for money includes the review of the curriculum in the secondary schools to check that there were economic and fair sized groups for all staff and that there was a good use of staff during any times in the school day when they were not in front of a class. Finally, a third example of value for money has been the sharing of transport and premises for students to provide low cost accommodation allowing affordable school trips to Scilly and the Mainland for students in both the Primary and Secondary sections. This has massively increased the number of events students have been able to take part in and be successful.

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 Leading Edge Academies Partnership for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

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:

- 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 Compliance Committee of reports that 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 (assets 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 agreed the following:

- Trustees have appointed the Local Authority Team to carry out a programme of internal checks.
- Trustees have appointed Bishop Fleming LLP as the external auditor, to perform additional checks.

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/bank account reconciliations.

On a quarterly basis the auditor/reviewer reports to the Board of Trustees through the Compliance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Any issues reported have been swiftly actioned by the Finance Director and the Accounting Officer during the year.

REVIEW OF EFFECTIVENESS

As accounting officer, the CEO 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who has 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place as outlined in one of our six key values, evolution.

**LEADING EDGE ACADEMIES PARTNERSHIP
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:



J Eason
Chair of Trustees

Date: 10-12-19



S Davey
Accounting Officer

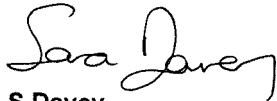
**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Leading Edge Academies Partnership I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



S Davey

Accounting Officer

Date: 10-12-19

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 ESFA/DfE have been applied for the purposes intended.

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

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



J Eason

Chair of Trustees

Date: 10-12-19

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEADING EDGE ACADEMIES PARTNERSHIP**

OPINION

We have audited the financial statements of Leading Edge Academies Partnership (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEADING EDGE ACADEMIES PARTNERSHIP (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEADING EDGE ACADEMIES PARTNERSHIP (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Oliver FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date: 19/12/19

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING
EDGE ACADEMIES PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leading Edge Academies Partnership during the year 1 September 2018 to 31 August 2019 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 Leading Edge Academies Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leading Edge Academies Partnership and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leading Edge Academies Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LEADING EDGE ACADEMIES PARTNERSHIP'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Leading Edge Academies Partnership's funding agreement with the Secretary of State for Education dated June 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING
EDGE ACADEMIES PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alison Oliver

Bishop Fleming LLP
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date: 19/12/19

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestrict ed funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	567,764	(1,083,280)	25,460,407	24,944,891	300,876
Charitable activities		452,240	9,069,252	-	9,521,491	5,503,397
Other trading activities		247,376	-	-	247,376	276,149
Investments	6	599	-	-	599	384
TOTAL INCOME		1,267,979	7,985,972	25,460,407	34,714,358	6,080,806
EXPENDITURE ON:						
Raising funds	8	176,662	-	-	176,662	177,440
Charitable activities	9	828,446	9,634,056	554,043	11,016,545	6,470,564
TOTAL EXPENDITURE		1,005,108	9,634,056	554,043	11,193,207	6,648,004
NET INCOME/ (EXPENDITURE)		262,871	(1,648,084)	24,906,364	23,521,151	(567,198)
Transfers between funds	20	129,086	102,276	(231,362)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		391,957	(1,545,808)	24,675,002	23,521,151	(567,198)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	25	-	(1,175,000)	-	(1,175,000)	401,000
NET MOVEMENT IN FUNDS		391,957	(2,720,808)	24,675,002	22,346,151	(166,198)
RECONCILIATION OF FUNDS:						
Total funds brought forward		193,401	(1,044,037)	9,898,845	9,048,209	9,214,407
Net movement in funds		391,957	(2,720,808)	24,675,002	22,346,151	(166,198)
TOTAL FUNDS CARRIED FORWARD		585,358	(3,764,845)	34,573,847	31,394,360	9,048,209

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

The notes on pages 30 to 64 form part of these financial statements.

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07657923

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	34,411,179	9,848,069
CURRENT ASSETS			
Debtors	16	456,269	171,250
Cash at bank and in hand		1,352,441	343,640
		<u>1,808,710</u>	<u>514,890</u>
CREDITORS: amounts falling due within one year	17	(922,194)	(196,750)
NET CURRENT ASSETS		<u>886,516</u>	<u>318,140</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,297,695</u>	<u>10,166,209</u>
Creditors: amounts falling due after more than one year	18	(11,335)	-
Defined benefit pension scheme liability	25	(3,892,000)	(1,118,000)
NET ASSETS		<u><u>31,394,360</u></u>	<u><u>9,048,209</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	20	34,573,847	9,898,845
Restricted income funds	20	127,155	73,963
		<u>34,701,002</u>	<u>9,972,808</u>
Restricted funds excluding pension asset	20	34,701,002	9,972,808
Pension reserve	20	(3,892,000)	(1,118,000)
Total restricted funds	20	<u>30,809,002</u>	<u>8,854,808</u>
Unrestricted income funds	20	<u>585,358</u>	<u>193,401</u>
TOTAL FUNDS		<u><u>31,394,360</u></u>	<u><u>9,048,209</u></u>

The financial statements on pages 27 to 64 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

J Eason 

Chair of Trustees

10-12-19

The notes on pages 30 to 64 form part of these financial statements.



S J Davey
Accounting Officer

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	22	465,132	(107,830)
CASH FLOWS FROM INVESTING ACTIVITIES	23	543,669	49,945
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,008,801	(57,885)
Cash and cash equivalents at the beginning of the year		343,640	401,525
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	1,352,441	343,640
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 64 form part of these financial statements

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Leading Edge Academies Partnership meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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 Part 11, chapter 3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.7 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset using a combination of straight line and reducing balance depreciation over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long term leasehold land and buildings	- Over the lease term, with a 50 year maximum for buildings
Furniture and fixtures	- 20% Straight Line
Computer equipment	- 33% Straight Line
Motor vehicles	- 25% Reducing Balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

1.14 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The Five Islands School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

1.15 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 funders where the asset acquired or created is held for a specific purpose.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS					
LGPS Pension from joining schools	-	(1,305,000)	-	(1,305,000)	-
SUBTOTAL	-	(1,305,000)	-	(1,305,000)	-

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	567,764	221,720	24,964,933	25,754,417	130,946
Capital Grants	-	-	495,474	495,474	169,930
SUBTOTAL	<u>567,764</u>	<u>221,720</u>	<u>25,460,407</u>	<u>26,249,891</u>	<u>300,876</u>
	<u>567,764</u>	<u>(1,083,280)</u>	<u>25,460,407</u>	<u>24,944,891</u>	<u>300,876</u>
TOTAL 2018	<u>3,505</u>	<u>277,441</u>	<u>19,930</u>	<u>300,876</u>	

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	8,365,572	8,365,572	4,884,563
Start up Grants	-	43,217	43,217	-
Other DfE/EFSA grants	-	324,185	324,185	220,469
	-	8,732,974	8,732,974	5,105,032
OTHER GOVERNMENT GRANTS				
High Needs	-	96,293	96,293	12,321
Other government grants	-	77,692	77,692	22,304
	-	173,985	173,985	34,625
OTHER FUNDING				
Internal catering income	67,568	-	67,568	1,765
Income for hosting trainee teachers	1,495	32,640	34,135	-
Sales to students	196,792	100	196,892	164,136
Other	184,385	129,553	313,938	197,839
	450,240	162,293	612,533	363,740
	450,240	9,069,252	9,519,492	5,503,397
TOTAL 2018	363,740	5,139,657	5,503,397	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	99,295	99,295	45,402
Consultancy	131,469	131,469	212,592
Fees received	16,612	16,612	18,155
Income from other charitable activities	2,000	2,000	-
	249,376	249,376	276,149

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	599	599	384
	<u>599</u>	<u>599</u>	<u>384</u>

All of the 2018 investment income was allocated in the unrestricted funds.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
COSTS OF GENERATING VOLUNTARY INCOME:					
Direct costs	-	-	176,662	176,662	177,440
EDUCATION:					
Direct costs	6,749,819	3,190	917,164	7,670,173	4,795,488
Allocated support costs	1,105,877	853,503	1,342,340	3,301,720	1,675,076
BOARDING:					
Direct costs	44,652	-	-	44,652	-
	<u>7,900,348</u>	<u>856,693</u>	<u>2,436,166</u>	<u>11,193,207</u>	<u>6,648,004</u>
TOTAL 2018	<u>4,826,195</u>	<u>652,661</u>	<u>1,169,148</u>	<u>6,648,004</u>	

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. EXPENDITURE ON RAISING FUNDS

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Trips subsistence	12,093	12,093	13,428
Trips	164,569	164,569	164,012
	<u>176,662</u>	<u>176,662</u>	<u>177,440</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	7,670,173	3,301,720	10,971,893	6,470,564
Boarding	44,652	-	44,652	-
	<u>7,714,825</u>	<u>3,301,720</u>	<u>11,016,545</u>	<u>6,470,564</u>
TOTAL 2018	<u>4,807,403</u>	<u>1,663,161</u>	<u>6,470,564</u>	

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2019 £	Boarding 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	26,520	-	26,520	15,750
Staff costs	6,686,352	44,652	6,731,004	4,101,518
Depreciation	3,190	-	3,190	229,822
Educational supplies	262,554	-	262,554	182,605
Examination fees	132,351	-	132,351	107,224
Other costs	362,896	-	362,896	154,195
Supply teachers	63,467	-	63,467	10,187
Security and transport	4,495	-	4,495	-
Technology costs	128,348	-	128,348	6,102
	<u>7,670,173</u>	<u>44,652</u>	<u>7,714,825</u>	<u>4,807,403</u>
TOTAL 2018	<u><u>4,807,403</u></u>	<u><u>-</u></u>	<u><u>4,807,403</u></u>	

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	24,480	24,480	19,250
Staff costs	1,101,760	1,101,760	724,677
Depreciation	607,502	607,502	52,482
Staff development	74,728	74,728	44,975
Other costs	354	354	-
Supply teachers	4,117	4,117	-
Recruitment and support	13,700	13,700	16,350
Maintenance of premises and equipment	288,553	288,553	126,195
Cleaning	131,485	131,485	119,636
Rent and rates	127,817	127,817	32,946
Energy costs	198,671	198,671	97,679
Insurance	45,931	45,931	32,502
Security and transport	86,697	86,697	28,117
Catering	141,382	141,382	49,751
Technology costs	165,453	165,453	121,127
Office overheads	137,668	137,668	111,294
Legal and professional	207,265	207,265	108,686
Bank interest and charges	627	627	32
(Profit) / Loss on disposal of fixed assets	(56,470)	(56,470)	(22,538)
	<u>3,301,720</u>	<u>3,301,720</u>	<u>1,663,161</u>

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	242,745	54,961
Depreciation of tangible fixed assets	609,227	282,304
Fees paid to auditors for:		
- audit	11,735	7,936
- other services	2,276	4,835
	<u><u> </u></u>	<u><u> </u></u>

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,896,139	3,703,135
Social security costs	574,061	363,883
Pension costs	1,208,794	759,177
	<u>7,678,994</u>	<u>4,826,195</u>
Agency staff costs	67,584	-
Staff restructuring costs	153,770	-
	<u>7,900,348</u>	<u>4,826,195</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	138,770	-
Severance payments	15,000	-
	<u>153,770</u>	<u>-</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,000 (2018: £nil).

c. STAFF NUMBERS

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

	2019 No.	2018 No.
Management	7	8
Teaching	154	58
Administration/Support	229	55
	<u>390</u>	<u>121</u>

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Management	7	8
Teaching	146	53
Administration/Support	109	40
	<u>262</u>	<u>101</u>

d. HIGHER PAID STAFF

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £200,000	1	1
	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for employees whose emoluments fell within the above bands amounted to £69,271 (2018: £50,518).

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £678,304 (2018: £687,498).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

**LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- School improvement support and management
- Administration and HR
- Business and Finance
- IT

The Academy Trust charges for these services on the following basis:

The Trust decided not to charge the schools until September 2019. However, it was decided to charge Fowey 4% of GAG from their time of joining on the 1st May, due to the higher level of support required by the school.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Fowey River Academy	<u>40,872</u>	<u>-</u>

13. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' gross salary in the year was as follows: Sara Davey, one hundred to one hundred and five thousand pounds (2018: one hundred to one hundred and five thousand pounds). The value of Trustees' employer's pension contributions in the year was as follows: Sara Davey, fifteen to twenty thousand pounds (2018: fifteen to twenty thousand pounds).

Other related party transactions involving the Trustees are set out in note 28.

During the year, retirement benefits were accruing to 1 Trustees (2018 - 3) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £2,925 were reimbursed or paid directly to 2 Trustees (2018 - £103 to 1 Trustee) to cover mileage and professional membership fees.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,600 (2018 - £1,594). The cost of this insurance is included in the total insurance cost.

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2018	11,003,726	200,214	281,442	18,390	11,503,772
Additions	8,736	-	20,518	-	29,254
Transfers from joining schools	24,933,549	200,540	29,588	1,250	25,164,927
Disposals	-	-	(51,166)	-	(51,166)
At 31 August 2019	<u>35,946,011</u>	<u>400,754</u>	<u>280,382</u>	<u>19,640</u>	<u>36,646,787</u>
DEPRECIATION					
At 1 September 2018	1,277,988	139,192	227,891	10,632	1,655,703
Charge for the year	532,340	35,578	39,584	3,190	610,692
On disposals	-	-	(30,786)	-	(30,786)
At 31 August 2019	<u>1,810,328</u>	<u>174,770</u>	<u>236,689</u>	<u>13,822</u>	<u>2,235,609</u>
NET BOOK VALUE					
At 31 August 2019	<u>34,135,683</u>	<u>225,984</u>	<u>43,693</u>	<u>5,818</u>	<u>34,411,178</u>
At 31 August 2018	<u>9,725,738</u>	<u>61,022</u>	<u>53,551</u>	<u>7,758</u>	<u>9,848,069</u>

16. DEBTORS

	2019 £	2018 £
Trade debtors	13,847	45,360
VAT recoverable	33,179	30,149
Other debtors	311,863	71,887
Prepayments and accrued income	97,380	23,854
	<u>456,269</u>	<u>171,250</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	435,005	86,266
Other taxation and social security	312,057	74,274
Other creditors	5,037	-
Accruals and deferred income	170,095	36,210
	<u>922,194</u>	<u>196,750</u>
	2019 £	2018 £
Deferred income at 1 September 2018	13,880	-
Resources deferred during the year	106,142	13,880
Amounts released from previous periods	(13,880)	-
Deferred income at 31 August 2019	<u>106,142</u>	<u>13,880</u>

Deferred income represents grants received in 2019 that relate to the subsequent school year. At the balance sheet date, the Academy Trust was holding funds received in advance that primarily relate to school trips, rates and UIFSM.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other loans	<u>11,335</u>	<u>-</u>

Included within other loans are the remaining balances of a loan of £13,854 from Salix Finance Ltd which was provided on the following terms: Repayable over 7 years bi-annual payments and interest free.

The loan was transferred from St Hillary School.

LEADING EDGE ACADEMIES PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	1,352,441	343,640
Financial assets that are debt instruments measured at amortised cost	341,585	117,247
	<u>1,694,026</u>	<u>460,887</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(515,330)	(108,596)
	<u>(515,330)</u>	<u>(108,596)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, loans, accruals and other creditors.

LEADING EDGE ACADEMIES PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	193,401	1,267,979	(1,005,108)	129,086	-	585,358
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	8,365,572	(8,408,801)	102,276	-	59,047
Rates funding	-	22,019	(22,019)	-	-	-
Higher needs	-	96,293	(94,228)	-	-	2,065
Pupil premium	-	302,166	(302,166)	-	-	-
MAT development fund	25,568	-	(25,568)	-	-	-
Erasmus	30,259	-	(4,937)	-	-	25,322
Bikeability	3,530	32,551	(35,148)	-	-	933
Transferred on conversion	-	52,147	(52,147)	-	-	-
Start up grant	-	43,217	(43,217)	-	-	-
Universal infant free school meals	-	23,575	(23,575)	-	-	-
PE & sports	-	22,159	(22,159)	-	-	-
Comenius 4	3,710	-	-	-	-	3,710
Teachers pay grant	-	23,619	(23,619)	-	-	-
Teaching school	-	60,165	(59,495)	-	-	670
Euro funding	-	27,182	(27,182)	-	-	-
Primary PE	-	59,439	(48,956)	-	-	10,483
School games	-	10,978	(8,344)	-	-	2,634
Sport England	-	18,760	(5,918)	-	-	12,842
Other restricted	10,896	131,130	(132,577)	-	-	9,449
Pension reserve	(1,118,000)	(1,305,000)	(294,000)	-	(1,175,000)	(3,892,000)
	(1,044,037)	7,985,972	(9,634,056)	102,276	(1,175,000)	(3,764,845)

LEADING EDGE ACADEMIES PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,097,547	24,964,933	(488,937)	-	-	31,573,543
Fixed assets purchased from GAG and other restricted funds	177,430	-	-	-	-	177,430
Fixed assets purchased from DfE/ESFA Capital grants	1,396,529	-	(26,681)	-	-	1,369,848
Football Association 3G Football Pitch	38,661	-	-	-	-	38,661
Condition Improvement Fund (CIF)	1,120,620	79,417	(34,946)	-	-	1,165,091
Other grants	48,128	-	-	(48,128)	-	-
Devolved Formula Capital	19,930	171,117	(42,150)	(46,584)	-	102,313
Environment grant	-	80,000	-	(80,000)	-	-
Proceeds from assets disposed of	-	-	56,650	(56,650)	-	-
Other Restricted Funds	-	131,283	(17,979)	-	-	113,304
Condition Improvement Fund- unspent	-	33,657	-	-	-	33,657
	<u>9,898,845</u>	<u>25,460,407</u>	<u>(554,043)</u>	<u>(231,362)</u>	<u>-</u>	<u>34,573,847</u>
TOTAL RESTRICTED FUNDS	<u>8,854,808</u>	<u>33,446,379</u>	<u>(10,188,099)</u>	<u>(129,086)</u>	<u>(1,175,000)</u>	<u>30,809,002</u>
TOTAL FUNDS	<u>9,048,209</u>	<u>34,714,358</u>	<u>(11,193,207)</u>	<u>-</u>	<u>(1,175,000)</u>	<u>31,394,360</u>

**LEADING EDGE ACADEMIES PARTNERSHIP
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20. STATEMENT OF FUNDS (CONTINUED)

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

DESIGNATED FUNDS

The designated funds have been set up to fund the replacement of the football pitch carpet. The grant received from the Football Association towards the original 3G football pitch requires that the football pitch carpet is replaced after 7 years, therefore funds are being set aside for this purpose.

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Special educational needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil premium - Income from the ESFA which is used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Year 7 Catch-up funding - Income from ESFA which is used to support students who have not achieved Level 4 in reading and/or maths at KS2.

Comenius Project/Erasmus - Funding to promote and support the International student exchange programme.

Applied Minds - Teaching School Core Grant used to provide high-quality training and development to new and experienced school staff and schools in the local community.

Bikeability - Funding to provide bike training to students as part of the local primary Hub.

School Games and School Games Organiser - Funding from various government departments and Sport England to employ an individual to work with the local primary Hub co-ordinating, organising and funding sports events and games.

British Council - Connecting classrooms project to link the academy with international schools.

PE Primary fund - A Primary Cluster pool together an element of their PE Grant which is co-ordinated by the SGO.

Pension Reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG and other restricted funds - This represents purchases for fixed assets made from GAG and other restricted funds.

Total transfers of £231,362 were made from Restricted Fixed Assets Funds to Unrestricted Funds and Restricted funds. This comprised of the proceeds of disposals of obsolete assets; as well as a DFC transfer to cover maintenance costs.

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Mounts Bay Academy	121,571	267,364
St Hilary School	135,512	-
Ludgvan School	123,268	-
Fowey River Academy	46,596	-
The Five Islands academy	279,520	-
Central	6,046	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	712,513	267,364
Restricted fixed asset fund	34,573,847	9,898,845
Pension reserve	(3,892,000)	(1,118,000)
	<hr/>	<hr/>
TOTAL	31,394,360	9,048,209
	<hr/> <hr/>	<hr/> <hr/>

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Mounts Bay Academy	4,099,094	607,769	611,481	1,011,027	6,329,371
St Hilary School	246,702	50,885	23,989	60,496	382,072
Ludgvan School	252,676	41,755	31,581	55,234	381,246
Fowey River Academy	757,735	87,232	82,298	209,938	1,137,203
The Five Islands academy	1,285,087	207,839	136,800	361,945	1,991,671
Central	30,294	3,980	-	32,679	66,953
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACADEMY TRUST	6,671,588	999,460	886,149	1,731,319	10,288,516
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LEADING EDGE ACADEMIES PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Football pitch carpet replacement funds	99,019	-	-	25,000	-	124,019
GENERAL FUNDS						
General Funds	231,805	640,273	(777,696)	(25,000)	-	69,382
TOTAL UNRESTRICTED FUNDS	330,824	640,273	(777,696)	-	-	193,401
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	4,884,563	(4,884,563)	-	-	-
Rates funding	-	8,340	(8,340)	-	-	-
Donations	-	3,505	(3,505)	-	-	-
Pupil premium	-	201,714	(201,714)	-	-	-
Year 7 Catch up funding	-	10,415	(10,415)	-	-	-
Applied Minds	3,444	63,315	(66,759)	-	-	-
Pupil premium LAC	-	19,650	(19,650)	-	-	-
MAT						
Development Fund	-	150,000	(124,432)	-	-	25,568
Erasmus	29,294	12,591	(11,626)	-	-	30,259
Bikeability	5,173	21,375	(23,018)	-	-	3,530
Connecting Classrooms	333	-	(333)	-	-	-
Comenius 4	3,710	-	-	-	-	3,710
Others restricted funds	12,948	32,814	(34,866)	-	-	10,896

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Higher Needs	-	12,321	(12,321)	-	-	-
Pension reserve	(1,310,000)	-	(209,000)	-	401,000	(1,118,000)
	<u>(1,255,098)</u>	<u>5,420,603</u>	<u>(5,610,542)</u>	<u>-</u>	<u>401,000</u>	<u>(1,044,037)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,246,814	-	(149,267)	-	-	7,097,547
Fixed assets purchased from GAG and other restricted funds	185,277	-	(7,847)	-	-	177,430
Fixed assets purchased from DfE/ESFA Capital grants	1,461,242	-	(64,714)	-	-	1,396,528
Football Association 3G Football Pitch	39,520	-	(859)	-	-	38,661
Condition Improvement Fund (CIF)	1,153,660	-	(33,039)	-	-	1,120,621
Other grants	52,168	-	(4,040)	-	-	48,128
Devolved Formula Capital	-	19,930	-	-	-	19,930
	<u>10,138,681</u>	<u>19,930</u>	<u>(259,766)</u>	<u>-</u>	<u>-</u>	<u>9,898,845</u>
TOTAL RESTRICTED FUNDS	<u>8,883,583</u>	<u>5,440,533</u>	<u>(5,870,308)</u>	<u>-</u>	<u>401,000</u>	<u>8,854,808</u>
TOTAL FUNDS	<u>9,214,407</u>	<u>6,080,806</u>	<u>(6,648,004)</u>	<u>-</u>	<u>401,000</u>	<u>9,048,209</u>

LEADING EDGE ACADEMIES PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	1	-	34,411,178	34,411,179
Current assets	1,222,963	423,078	162,669	1,808,710
Creditors due within one year	(626,271)	(295,923)	-	(922,194)
Creditors due in more than one year	(11,335)	-	-	(11,335)
Provisions for liabilities and charges	-	(3,892,000)	-	(3,892,000)
TOTAL	585,358	(3,764,845)	34,573,847	31,394,360

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	(50,776)	-	9,898,845	9,848,069
Current assets	440,927	73,963	-	514,890
Creditors due within one year	(196,750)	-	-	(196,750)
Provisions for liabilities and charges	-	(1,118,000)	-	(1,118,000)
TOTAL	193,401	(1,044,037)	9,898,845	9,048,209

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
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22. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	23,521,151	(567,198)
ADJUSTMENTS FOR:		
Depreciation	610,692	282,304
Capital grants from DfE and other capital income	(495,474)	(19,930)
Interest receivable	(599)	(384)
Defined benefit pension scheme cost less contributions payable	243,000	177,000
Defined benefit pension scheme finance cost	51,000	35,000
(Increase)/decrease in debtors	(212,639)	7,340
Increase in creditors	775,401	576
Profit in the sale of fixed assets	(56,470)	(22,538)
Net assets received on conversion	(23,970,930)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	465,132	(107,830)

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	599	385
Purchase of tangible fixed assets	(29,254)	-
Capital grants from DfE Group	495,474	19,930
Proceeds from the sale of tangible fixed assets	76,850	29,630
NET CASH PROVIDED BY INVESTING ACTIVITIES	543,669	49,945

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	1,352,441	343,640
TOTAL CASH AND CASH EQUIVALENTS	1,352,441	343,640

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Cornwall Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £104,231 were payable to the schemes at 31 August 2019 (2018 - £56,881) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**LEADING EDGE ACADEMIES PARTNERSHIP
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25. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £691,220 (2018 - £428,917).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £327,744 (2018 - £204,787), of which employer's contributions totalled £242,366 (2018 - £156,022) and employees' contributions totalled £ 85,377 (2018 - £48,765). The agreed contribution rates for future years are 17 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.4	2.4
Rate of increase in pensions	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019	2018
	Years	Years
<i>Retiring day</i>		
Males	21.1	22.1
Females	23.6	24.5
<i>Retiring in 20 years</i>		
Males	22.3	24
Females	25	26.4

LEADING EDGE ACADEMIES PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,062,760	1,003,000
Bonds	1,517,880	880,000
Property	272,440	143,000
Cash	38,920	20,000
Total market value of assets	3,892,000	2,046,000

The actual return on scheme assets was £524,000 (2018 - £53,000).

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

	2019 £	2018 £
Current service cost	(516,000)	(331,000)
Past service cost	(11,000)	(17,000)
Interest income	98,000	46,000
Interest cost	(149,000)	(81,000)
Total	(578,000)	(383,000)

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

	2019 £	2018 £
Opening defined benefit obligation	3,164,000	3,056,000
Liability transferred on conversion	4,416,000	-
Current service cost	516,000	331,000
Interest cost	149,000	81,000
Employee contributions	85,000	49,000
Actuarial gains	1,699,000	(348,000)
Benefits paid	(27,000)	(22,000)
Past service costs	11,000	17,000
Closing defined benefit obligation	10,013,000	3,164,000

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	2,046,000	1,746,000
Transferred on conversion	3,111,000	-
Interest income	98,000	46,000
Actuarial losses/(gains)	524,000	53,000
Employer contributions	284,000	174,000
Employee contributions	85,000	49,000
Benefits paid	(27,000)	(22,000)
Closing fair value of scheme assets	6,121,000	2,046,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	242,745	178,608
Later than 1 year and not later than 5 years	615,897	275,060
	858,642	453,668

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.

28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.

**LEADING EDGE ACADEMIES PARTNERSHIP
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29. CONVERSION TO AN ACADEMY TRUST

On 1 October 2018 Five Islands Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Leading Edge Academies Partnership from Cornwall Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Leasehold land and buildings	-	-	10,377,819	10,377,819
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	239,287	-	-	239,287
Pension scheme liability	-	(225,000)	-	(225,000)
NET ASSETS/(LIABILITIES)	<u>239,287</u>	<u>(225,000)</u>	<u>10,377,819</u>	<u>10,392,106</u>

Land and buildings were transferred on a 125 year lease.

30. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

Fowey River Academy

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	12,709,182	12,709,182
CURRENT ASSETS		
Cash at bank and in hand	16,421	16,421
PENSIONS		
Pension scheme liability	(425,000)	(425,000)
NET ASSETS	<u>12,300,603</u>	<u>12,300,603</u>

**LEADING EDGE ACADEMIES PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
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30. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST (CONTINUED)

Ludgvan Academy

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	701,344	701,344
Furniture and equipment	4,289	4,289
Computer equipment	13,309	13,309
CURRENT ASSETS		
Debtors due within one year	122,337	122,337
Cash at bank and in hand	73,539	73,539
PENSIONS		
Pension scheme liability	(197,000)	(197,000)
NET ASSETS	<u>717,818</u>	<u>717,818</u>

St Hilary Academy

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	974,014	974,014
Furniture and equipment	144,213	144,213
Computer equipment	2,926	2,926
Motor vehicles	1,250	1,250
CURRENT ASSETS		
Cash at bank and in hand	61,332	61,332
LIABILITIES		
Creditors due after one year	(11,335)	(11,335)
PENSIONS		
Pension scheme liability	(284,000)	(284,000)
NET ASSETS	<u>888,400</u>	<u>888,400</u>