

Company Registration Number: 07647432 (England and Wales)

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

**Annual Report and Financial Statements
Year ended 31 August 2017**

**The Leeds Jewish Free School
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**The Leeds Jewish Free School
Reference and Administrative Details**

Members

Mr Alex Abrams
Cllr Daniel Cohen
Rabbi Reuven Cohen
Alan Dunwell
Rabbi Jason Kleiman
Mr Spencer Weiner

Governors (Trustees)

Mr Alex Abrams
Dr Jason Broch
Cllr Daniel Cohen (Chair of Trustees)
Mr Henry Cohen (Chair of Finance and Resources)
Rabbi Reuven Cohen
Mr Jeremy Dunford (Resigned 1 July 2017)
Alan Dunwell
Rabbi Jason Kleiman
Mr Lee Lipman
Mr Spencer Weiner

Senior Management Team

Executive Headteacher
Assistant Headteacher
Director of Finance

Mrs Susan Jagger
Mr Jagdeep Dhaliwal
Mr Paul Staniland

Company Name

Leeds Jewish Free School

Principal and Registered Office

The Leeds Jewish Free School
Henry Cohen Campus
Wentworth Avenue
Leeds
United Kingdom
LS17 7TN

Company Registration Number

07647432 (England and Wales)

Independent Auditor

Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ
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Bankers

Lloyds Bank
1st Floor
14 Church Street
Sheffield
LS1 1NX

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds
LS1 4DL

The Leeds Jewish Free School

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of the Leeds Jewish Free School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Leeds Jewish Free School.

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

Trustees' Insurance

The Governors Liability section of the RPA will indemnify Governors, members of the governing body or board of governors of the Academy; Employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor.

Principal Activities

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

Method of Recruitment and Appointment or Election of Trustees

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

The members may appoint up to 14 trustees.

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

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

The Leeds Jewish Free School

Trustees' Report (continued)

Organisational Structure

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

A senior management team (SMT) made up of the Executive Head Teacher, Duty Head Teacher and Finance Director controls the school at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the team is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Currently the Executive Headteacher controls the school at an executive level implementing the policies laid down by the trustees and reporting back to them. In the 2016-2017 academic year, the school began employing staff with a view to employing more teaching staff as soon as possible. A working party of senior managers and a trustee will be considering the number and grade of staff to set an initial establishment for 2018 – 2019. As the academy staff expands a SMT will be created and will support the executive headteacher in this role. The Executive Headteacher is responsible for the appointing of all staff, with the involvement of key trustees until the SMT has been created.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of key management personnel will follow DfE advice and direction of the School Teachers' Pay and Conditions Document (STPCD). Senior staff will have their performance reviewed by Trustees and where deemed necessary by specialist sector experts.

Connected Organisations including Related Party Relationships

The school operates from dedicated buildings on the site of the Henry Cohen Campus and shares a number of resources and facilities with Brodetsky Jewish Primary School: a local authority voluntary aided school. The Executive Head Teacher of the Leeds Jewish Free School is also the Head Teacher of the Brodetsky Jewish Primary School. Other staff at the Brodetsky Jewish Primary School provide teaching and support services to the Leeds Jewish Free School. Other connected organisations include, Brodetsky Schools Ltd which provides support services to both schools, 'The Zone' (a local community group) that provides extra curriculum activities outside of school's timetabled classes. Brodetsky Jewish Primary School Foundation Trusts the beneficial owner of the land and the primary school buildings. Transactions between parties on the campus are recharged on not for profit basis to recover the costs incurred by the party.

Under the terms of a commercial contract parts of the curriculum is delivered by Rodillian School (an academy trust).

Objectives and Activities

Objects and Aims

The Leeds Jewish Free School is a Modern Orthodox Jewish School which aims to offer outstanding educational provision that ensures high academic standards, a strong moral ethic, a joy of learning, high aspirations and an expectation to contribute to the local community. This is underpinned by its strong Jewish ethos and an innovative educational model.

Every pupil will leave the school having enjoyed their education, achieved well and, if Jewish, proud of their faith, heritage and community. All pupils will see themselves as proud citizens or residents of Britain, respectful and understanding of all other members of its diverse community and contributing at all levels. They will respect and understand the values of this country and understand their future role in building on these. Our aspirations will be key drivers for our curriculum at all Key Stages and in all subjects. Our pupils will have access to education which meets these specific needs without family income or individual need being a barrier.

Aims

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

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

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

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

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

Ensure our pupils are able to apply to university because their high academic achievement, matched with their unique educational experience, will ensure that they are always considered as strong applicants for their chosen course and are well prepared for the challenges of university life.

For those who choose an alternative route, they will do so with our support, ensuring they aspire to achieve all they are capable of and can choose confidently from the many alternative educational and vocational routes available today.

Ensure that all our students will develop a strong sense of self, beliefs and faith irrespective of their own family faith background. They will value the diversity within the school and the opportunity to develop an understanding of each other.

The Leeds Jewish Free School

Trustees' Report (continued)

Public Benefit

The provision of a secondary school in Leeds providing a Jewish ethos education provides significant public benefit to the local community.

Until LJFS opened, families who wanted a Jewish ethos based secondary education had to send their children to Manchester each day. Children were spending approximately a year of their school lives travelling.

Releasing children from long days and dangerous travelling over the Pennines every school day is a positive benefit for the Leeds and wider West and North Yorkshire communities. In the longer term when the school achieves its strategic objectives there will be environmental benefits from fewer bus journeys to Manchester.

The school is now exploring offering, from September 2016, provision for more religious families as well as its Jewish pupils almost 50% of the students are from other faith backgrounds. This unexpected but critical dynamic will help ensure that LJFS contributes to the long term cohesion of the Leeds city community.

A significant number of our students face additional challenges (both educational and socio-economic). These students are being offered an educational opportunity far in excess of what could be offered in other schools and is becoming a recruitment feature of the school.

Strategic Report

Achievements and Performance

LJFS underwent its first OFSTED inspection in June 2015. After two years it was judged as 'Good' in all areas.

Key Strengths identified were:

- Leaders and governors have high aspirations for students and are determined that they should excel academically and personally. They are proud of what has been achieved since the school opened;
- Good teaching over time and students' positive attitudes to learning are resulting in good achievement;
- There are no gaps in performance between different groups of students;
- Students say they feel very safe in school. Bullying is rare and pupils are confident that staff will address any problems that arise;
- Students get on well with each other, respect others' differences and express their opinions with adults confidently;
- The curriculum promotes students' personal, social and emotional development well. It is effectively designed to engage students with current affairs and moral issues, contributing to a good understanding of life in modern Britain;
- Behavior is good and the vast majority of students attend regularly.

The outcome of the inspection showed clearly that LJFS is making strong progress towards achieving its stated aims.

In the 2 years since this inspection school leaders and the Governing Body have worked hard to develop areas for further improvement identified in the inspection and as a result standards and progress have been further enhanced.

We are a member of the Red Kite Alliance which enhances our collaborations and partnership working. Subject leaders and all staff have a wider network of colleagues to help monitor and evaluate our provision. We also work with a school improvement partner 'Judicium' who are helping leaders improve systems and Self Evaluation across all areas.

In September 2016 the school admitted a full year group of 25 students. With increasing pupil numbers in Brodetsky Jewish Primary school and other local primary schools LJFS now expects to be oversubscribed every year going forward. In year applications are also serving to fill vacancies in other year groups as LJFS move towards being at full capacity.

Our first GCSE results will be available in August 2018 and we are striving to have intervention and intensive support throughout 2017-18 for this cohort to achieve their full potential and beyond. Our very small year groups are split into 2 streams for all core subjects in KS4 and a wide choice of options are available for all students starting year 10.

We have established a partnership with Harrogate Grammar School for our 6th form provision and HGS are delivering tailored Careers support for our current students.

LJFS is now employing some staff itself, reducing forecast contract costs with the Rodillian Academy whilst maintain the long term support of the successful partnership. We expect to have the vast majority of high quality teaching staff employed by LJFS for the coming year 2017-18.

Our Jewish ethos is becoming more embedded and is enhanced by a new lead across the wider Campus, his enthusiasm and passion is shared by students, staff and governors alike.

The Leeds Jewish Free School

Trustees' Report (continued)

Key Performance Indicators

Pupil progress in the third year has been significant with every pupil making progress far in excess of national expectations. All pupils are now targeted to achieve between B and A* in their GCSEs.

	KPI	Benchmark
GAG Income as a % of Total Revenue Income -	71%	93 - 96%
Staff Costs as a % of Total Revenue Expenditure	75%	70 - 80%
Teaching Staff Costs as a % of Total Revenue Expenditure	19%	55 - 65%
Teaching Staff Costs as a % of Total Staff Costs	28%	> 80%
Staff Costs as a % of Total Revenue Income	86%	70 - 75%
Total Revenue Expenditure as a % of Total Revenue Income	115%	93 - 96%
Cash Balances as a % of Total Revenue Income -	51%	> 10%
Current Assets to Current Liabilities	2.8 times	1.2 - 3.5 times

Going Concern

The Academy's activities, together with the factors likely to affect its future development, performance and position are set out in the achievements review above. The financial position of the company, its cash flows and liquidity position are detailed in the financial statements on pages 16 to 32.

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

Financial Review

During the period the majority of the Academy's operating income was obtained from the Department for Education (DfE) in the form of grants, the use of which is restricted to particular purposes. The funds received from the DfE and Donations during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2017, total revenue expenditure of £882,147 was financed by grant funding from the ESFA/DfE and other trading activities. The excess of expenditure over income for the period was £116,595.

At 31 August 2017 the net book value of fixed assets was £2,753,103 and movements in intangible and tangible fixed assets are shown in note 11 and 12 to the financial statements. The assets are to be used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy held fund balances at 31 August 2017 of £3,065,745 comprising a surplus of £176,581 restricted general funds, £2,753,103 restricted fixed asset fund and £136,061 unrestricted funds, (see note 15).

Reserves Policy

Leeds Jewish Free School is currently dependent on ESFA GAG income to sustain its activities. This means that if there were to be a gap in GAG funding, it is likely that Leeds Jewish Free School would have financial difficulties in the medium and short term.

In these circumstances the main concerns of the board would be to ensure that:

- Pupils are provided a safe and secure environment, and
- Future expenditure, related to the academy's Development Plan's strategic aims and developments, can be met, and
- Staff can continue working and delivering high quality teaching and learning.

In order to address this risk, the Leeds Jewish Free School Trustees have agreed to hold contingency reserves designed to meet the cyclical needs of renewal, growth and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The Leeds Jewish Free School

Trustees' Report (continued)

Operational Reserve

Funding has been secured until 2017-2018 on the current funding arrangement with the ESFA. From 2018-2019 the academy will be subject to the lagged funding arrangement. Reductions in the number of pupil numbers would significantly reduce the level of funding. A further risk to funding would be the withdrawal of funding elements or a lack of funding for cost inflation.

In these circumstances, it has been calculated that reserves of £155,000 would be needed to continue running for at least 3 years. (Basic AWPU £4,312 x 12 pupil reductions x 3).

The reserves should be built up from the unrestricted (earned) income.

Asset Reserve

In addition to the operational reserve to be built up from unrestricted income the academy will build up a reserve from restricted reserves for the following reasons:

- to fund any additional accommodation requirements and improvements.
- as a sinking fund to replace teaching and learning equipment and other physical assets which will require substantial expenditure in year 6 & 7 of the academy's operations.

In these circumstances it has been calculated that reserves of £350,000 would be needed.

Investment Policy

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return the academy policy is geared towards avoiding risk rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

Principal Risks and Uncertainties

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

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

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

1. Funding

The Academy has considerable reliance on continued government funding through the ESFA. In the period ended 31 August 2017 a significant proportion of the Academy's revenue is DfE/ESFA funded, and it is envisaged the majority of income for the foreseeable future will be derived from public sources.

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

2. Minimise the risk of litigation against the Academy

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

3. Ensure on-going cash solvency

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

Plans for Future Periods

The Leeds Jewish Free School has increased the choice of secondary school placement to parents of pupils who wish a Jewish ethos based education, or a strong faith based environment as well as the high standard of education. The next 12 months will continue to focus on developing a strong combination of building pupils' life skills and tailoring the curriculum to individual pupils' abilities and needs. As well as establishing the strong educational provision there will be a clear focus on recruitment using the evidenced progress being made by all pupils and the quality of the educational provision and resources.

Funds Held as Custodian Trustee for Others

The school company is currently holding £11,174 on behalf of 'The Zone' to pay the retention to the construction company (Wates) on the completed extension to the community premises adjacent to the Leeds Jewish Free School.

The Leeds Jewish Free School

Trustees' Report (continued)

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.

Approved by order of the members of the governing body on 27 November 2017 and signed on its behalf by:



Councillor Daniel Cohen
Chair of Trustees

The Leeds Jewish Free School

Governance Report

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility of accounting officer to the Principal, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Leeds Jewish Free School and the Secretary of State for Education. A trustee has been appointed as the Responsible Officer who is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings Attended	Out of a Possible
Clr Dan Cohen	6	6
Henry Cohen	3	6
Alex Abrams	6	6
Rabbi Reuven Cohen	6	6
Rabbi Jason Kleiman	4	6
Spencer Weiner	5	6
Jason Broch	5	6
Lee Lipman	5	6
Alan Dunwell	4	6
Susan Jagger	6	6

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to:

- Initial review and authorisation of the annual school budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring that the school annual accounts are produced in accordance of the requirements of the Companies Act 2006 and the DfE and ESFA guidance issued to Academies;
- Authorising the award of contracts over £2,001;
- Authorising changes to the school personnel establishment;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be made available to the full Governing Body.

The Leeds Jewish Free School

Governance Report

Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Trustee	Meetings attended	Out of a possible
Henry Cohen	4	4
Dan Cohen	2	3
Alan Dunwell	4	4
Susy Jagger	4	4
Spencer Weiner	1	1

Value for Money Statement

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

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

Improving educational results:

Leeds Jewish Free School completed its fourth year delivering effective and innovative teaching and learning on the 31 August 2017. Drawing on the experience and expertise of staff from a nearby large academy school, Leeds Jewish Free School has made significant steps to provide the community with secondary high-quality teaching and learning built around a Jewish faith, culture and ethos. The Free School's first cohort, now year 10 pupils, have all made significant progress and have met or exceeded all of their targets and set themselves a sound foundation for completing their key stage 3 education and development. This has been mirrored in a rapid level of progress in the new year 7,8 9 and 10 cohorts.

Targeted improvement and focus on individual pupil:

Staffing structure is deployed to drive and support school improvement and to support a wider curriculum. The aim is to raise achievement so that all students in 2017 and 2018 achieve a minimum 5 A*C grades including both English and mathematics. English and mathematics is targeted with additional teaching capacity to provide intervention work for students not achieving expected progress.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Leeds Jewish Free School for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

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

During the forthcoming year, the governing body will continue to appoint independent appropriately qualified personnel to check of financial controls, systems and risks.

The Leeds Jewish Free School

Governance Report

Review of Effectiveness

As accounting officer, Susan Jagger has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 27 November 2017 and signed on its behalf by:



Councillor Daniel Cohen
Chair of Trustees



Susan Jagger
Accounting Officer

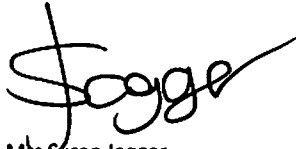
The Leeds Jewish Free School

Statement of Regularity, Propriety and Compliance

As accounting officer of The Leeds Jewish Free School, I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016-2017.

I confirm that I and the Academy Trust governing body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016-2017.

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 the statement, these will be notified to the Governing Body and ESFA.



Mrs Susan Jagger
Accounting officer

27 November 2017

The Leeds Jewish Free School

Statement of Trustees' Responsibilities

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

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

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 27 November 2017 and signed on its behalf by:



Councillor Daniel Cohen
Chair of Trustees

The Leeds Jewish Free School

Independent Auditor's Report to the Members of The Leeds Jewish Free School

Opinion

We have audited the financial statements of The Leeds Jewish Free School for the year ended 31 August 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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.

Other information

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

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.

The Leeds Jewish Free School

Independent Auditor's Report to the Members of The Leeds Jewish Free School

Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees


As explained more fully in the trustees' responsibilities statement set out on page 12, 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.

Auditor's responsibilities for the audit of the financial statements

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

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


Alistair Russell FCA
For and on behalf of
Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

11/12/17

The Leeds Jewish Free School

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

In accordance with the terms of our engagement letter dated October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Leeds Jewish Free School during the period from 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Leeds Jewish Free School's funding agreement with the Secretary of State for Education dated 11 July 2013 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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.

The work undertaken to draw our conclusions includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year no independent checking of financial controls, systems, transactions and risks was carried out as required by the Academies Financial Handbook 2016.

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

11/12/17

The Leeds Jewish Free School

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

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	12,500	-	4,894	17,394	114,422
Charitable activities:						
Funding for the academy trust's educational operations	3	-	648,886	-	648,886	545,417
Other trading activities	4	103,034	-	-	103,034	29,910
Investments	5	1,132	-	-	1,132	1,978
Total		<u>116,666</u>	<u>648,886</u>	<u>4,894</u>	<u>770,446</u>	<u>691,727</u>
Expenditure on:						
Raising funds	6	123,610	-	-	123,610	46,745
Charitable activities:						
Academy trust educational operations	7		758,537	156,452	914,989	626,159
Total		<u>123,610</u>	<u>758,537</u>	<u>156,452</u>	<u>1,038,599</u>	<u>672,904</u>
Net Income / (expenditure)		(6,944)	(109,651)	(151,558)	(268,153)	18,823
Transfers between funds	15	-	(18,743)	18,743	-	-
Net movement in funds		<u>(6,944)</u>	<u>(128,394)</u>	<u>(132,815)</u>	<u>(268,153)</u>	<u>18,823</u>
Reconciliation of funds						
Total funds brought forward		143,005	304,975	2,885,918	3,333,898	3,315,075
Total funds carried forward		<u>136,061</u>	<u>176,581</u>	<u>2,753,103</u>	<u>3,065,745</u>	<u>3,333,898</u>

The Leeds Jewish Free School
Balance Sheet as at 31 August 2017

		31 August 2017	31 August 2016
	Note	£	£
Fixed assets			
Intangible assets	11	1,291	4,497
Tangible assets	12	2,751,812	2,881,421
		<u>2,753,103</u>	<u>2,885,918</u>
Current assets			
Debtors	13	98,763	100,010
Cash at bank and in hand		388,578	528,635
		<u>487,341</u>	<u>628,645</u>
Creditors: Amounts falling due within one year	14	(171,699)	(180,665)
Net current assets		<u>315,642</u>	<u>447,980</u>
Net assets excluding pension liability		<u>3,068,745</u>	<u>3,333,898</u>
Defined benefit pension scheme liability	20	(3,000)	-
Total assets		<u><u>3,065,745</u></u>	<u><u>3,333,898</u></u>
Funds of the academy trust:			
Restricted funds			
General Funds	15	179,581	304,975
Fixed asset Reserve	15	2,753,103	2,885,918
Pension reserve	15	(3,000)	-
Total restricted funds		<u>2,929,684</u>	<u>3,190,893</u>
Unrestricted funds			
General Funds	15	136,061	143,005
Total unrestricted funds		<u>136,061</u>	<u>143,005</u>
Total funds		<u><u>3,065,745</u></u>	<u><u>3,333,898</u></u>

The financial statements on pages 16 to 32 were approved by the trustees, and authorised for issue on 27/11/17 and are signed on their behalf by:

Councillor Daniel Cohen
Chair of Trustees

The Leeds Jewish Free School

Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	(122,446)	195,900
Cash flows from investing activities			
Interest received		1,132	1,978
Purchase of tangible fixed assets		(23,637)	(4,758)
Capital grants from DfE/ESFA		4,894	4,422
		<u>(17,611)</u>	<u>1,642</u>
Change in cash and cash equivalents in the reporting period		<u>(140,057)</u>	<u>197,542</u>
Cash and cash equivalents at 1 September 2016		528,635	331,093
Cash and cash equivalents at the 31 August 2017		<u>388,578</u>	<u>528,635</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the period ended 31 August 2017

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Leeds Jewish Free School meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

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

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.

The Leeds Jewish Free School

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

Statement of Accounting Policies (continued)

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.

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Computer software	25% straight line
-------------------	-------------------

Tangible Fixed Assets

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

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

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

Long leasehold buildings	2% straight line
Fixtures, fittings and equipment	20% straight line
ICT equipment	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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 of services it must provide.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Leeds Jewish Free School

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pensions 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual amortisation and depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 11 and 12 for the carrying amount of the intangible and tangible assets, and accounting policies for the amortisation and depreciation rates used for each class of assets.

Critical areas of judgement

No significant judgements have been made in the process of applying the entity's accounting policies.

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Donations	12,500	-	12,500
Capital Grants	-	4,894	4,894
	<u>12,500</u>	<u>4,894</u>	<u>17,394</u>

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Donations	110,000	-	110,000
Capital Grants	-	4,422	4,422
	<u>110,000</u>	<u>4,422</u>	<u>114,422</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	546,216	546,216
Start Up Grants	-	43,700	43,700
Pupil Premium	-	25,808	25,808
Other DfE/ESFA grants	-	31,338	31,338
	<u>-</u>	<u>647,062</u>	<u>647,062</u>

Other Government grants

Local authority grants	-	1,824	1,824
	<u>-</u>	<u>648,886</u>	<u>648,886</u>

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
DfE / ESFA grants			
General Annual Grant (GAG)	-	436,659	436,659
Start Up Grants	-	74,900	74,900
Pupil Premium	-	18,700	18,700
Other DfE/ESFA grants	-	15,158	15,158
	<u>-</u>	<u>545,417</u>	<u>545,417</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Other Income	10,002	-	10,002
Catering	13,187	-	13,187
School Trips	13,397	-	13,397
Recharges	66,448	-	66,448
	<u>103,034</u>	<u>-</u>	<u>103,034</u>

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Other Income	3,066	-	3,066
Catering	6,592	-	6,592
School Trips	9,809	-	9,809
Recharges	10,443	-	10,443
	<u>29,910</u>	<u>-</u>	<u>29,910</u>

5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Bank interest	1,132	-	1,132
	<u>1,132</u>	<u>-</u>	<u>1,132</u>

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Bank interest	1,978	-	1,978
	<u>1,978</u>	<u>-</u>	<u>1,978</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

6 Expenditure

	Non Pay Expenditure			Total
	Staff Costs	Premises	Other	2017
	£	£	£	£
Expenditure on raising funds	64,498	-	59,112	123,610
Academy's educational operations:				
Direct costs	562,913	-	81,401	644,314
Allocated support costs	30,873	76,557	163,245	270,675
	<u>658,284</u>	<u>76,557</u>	<u>303,758</u>	<u>1,038,599</u>

	Non Pay Expenditure			Total
	Staff Costs	Premises	Other	2016
	£	£	£	£
Expenditure on raising funds	-	-	46,745	46,745
Academy's educational operations:				
Direct costs	306,638	-	77,877	384,515
Allocated support costs	22,806	49,467	169,371	241,644
	<u>329,444</u>	<u>49,467</u>	<u>293,993</u>	<u>672,904</u>

Net income/(expenditure) for the period includes:

	2017	2016
	£	£
Amortisation	3,206	3,206
Depreciation	153,246	147,833
Fees payable to auditor - audit	<u>4,000</u>	<u>3,750</u>

7 Charitable Activities

	Total	Total
	2017	2016
	£	£
Direct costs – educational operations	644,314	384,515
Support costs – educational operations	<u>270,675</u>	<u>241,644</u>
	<u>914,989</u>	<u>626,159</u>

Analysis of support costs

	Total	Total
	2017	2016
	£	£
Support staff costs	30,873	22,806
Depreciation	98,691	96,767
Technology costs	24,652	19,211
Premises costs	76,557	49,467
Other support costs	27,052	46,845
Governance costs	12,850	6,548
Total support costs	<u>270,675</u>	<u>241,644</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £	Total 2016 £
Wages and salaries	154,319	-
Social security costs	18,612	-
Operating costs of defined benefit pension schemes	<u>25,411</u>	<u>-</u>
	198,342	-
Non-contracted staff	418,491	329,444
	<u><u>616,833</u></u>	<u><u>329,444</u></u>

The non-contracted staff costs above include:

- Payments to Rodillian Academy Trust for providing teaching and curriculum leadership staff.
- Service costs for the teaching and support staff supplied by Brodetsky Primary School.
- Service costs for the finance officer was for the time spent carrying out finance and administrative task on behalf LJFS and absent from his substantive post. The payments were made by Brodetsky School Limited.

b. The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount paid for their services to the academy trust was £95,078 (2016: £71,223)

c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2017 No.	2016 No.
Teachers	4	-
Administration and support	1	-
Management	<u>1</u>	<u>-</u>
	<u><u>6</u></u>	<u><u>-</u></u>

d. Higher paid staff

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

	2017 No.	2016 No.
£70,001 - £80,000	<u>1</u>	<u>-</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

	Salaries	Employer's pension costs
Rabbi Jason Kleiman (reappointed 12 July 2016)	£nil - £5,000 (2016 £0)	£nil - £5,000 (2016 £0)

No expenses were reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 21.

10 Governors Insurance

The Governors Liability section of the RPA will indemnify Governors, members of the governing body or board of governors of the Academy; Employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor.

11 Intangible Fixed Assets

	Computer Software
Cost	£000
At 1 September 2016 and 1 September 2017	<u>12,825</u>
Amortisation	
At 1 September 2016	8,328
Charged in year	<u>3,206</u>
At 31 August 2017	<u>11,534</u>
Carrying amount	
At 31 August 2016	<u>4,497</u>
At 31 August 2017	<u>1,291</u>

12 Tangible Fixed Assets

	Leasehold Buildings	Fixtures, Fittings & Equipment	IT Equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	2,889,498	197,131	204,260	3,290,889
Additions	-	7,591	16,046	23,637
Disposals	-	-	-	-
At 31 August 2017	<u>2,889,498</u>	<u>204,722</u>	<u>220,306</u>	<u>3,314,526</u>
Depreciation				
At 1 September 2016	167,265	102,891	139,312	409,468
Charged in year	57,790	40,901	54,555	153,246
Disposals	-	-	-	-
At 31 August 2017	<u>225,055</u>	<u>143,792</u>	<u>193,867</u>	<u>562,714</u>
Net book values				
At 31 August 2017	<u>2,664,443</u>	<u>60,930</u>	<u>26,439</u>	<u>2,751,812</u>
At 31 August 2016	<u>2,722,233</u>	<u>94,240</u>	<u>64,948</u>	<u>2,881,421</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

13 Debtors

	2017	2016
	£	£
Trade debtors	84,540	66,042
VAT recoverable	9,785	4,789
Other debtors	151	-
Prepayments and accrued income	4,287	29,179
	<u>98,763</u>	<u>100,010</u>

14 Creditors: Amounts Falling due within one year

	2017	2016
	£	£
Trade creditors	54,522	54,529
Other creditors	65,274	62,297
Accruals	51,903	63,839
	<u>171,699</u>	<u>180,665</u>

There was no deferred income at 31 August 2017 (2016: £nil)

15 Funds

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	-	546,216	(527,473)	(18,743)	-
Start Up Grant	304,975	43,700	(169,094)	-	179,581
Pupil Premium	-	25,808	(25,808)	-	-
Other grants	-	33,162	(33,162)	-	-
Pension reserve	-	-	(3,000)	-	(3,000)
	<u>304,975</u>	<u>648,886</u>	<u>(758,537)</u>	<u>(18,743)</u>	<u>176,581</u>
Restricted fixed asset funds					
Capital expenditure from revenue	19,713	-	(8,120)	18,743	30,336
Capital expenditure from DfE/ESFA grants	2,866,205	4,894	(148,332)	-	2,722,767
	<u>2,885,918</u>	<u>4,894</u>	<u>(156,452)</u>	<u>18,743</u>	<u>2,753,103</u>
Total restricted funds	<u>3,190,893</u>	<u>653,780</u>	<u>(914,989)</u>	<u>-</u>	<u>2,929,684</u>
Unrestricted funds					
Donations	118,940	12,500	-	(29,257)	102,183
Other Income	20,886	103,034	(123,610)	29,257	29,567
Investment income	3,179	1,132	-	-	4,311
	<u>143,005</u>	<u>116,666</u>	<u>(123,610)</u>	<u>-</u>	<u>136,061</u>
Total funds	<u>3,333,898</u>	<u>770,446</u>	<u>(1,038,599)</u>	<u>-</u>	<u>3,065,745</u>

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

15 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 that it could carry forward at 31 August 2017.

The other restricted general funds relate to grants and other income receivable from the DfE, ESFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of assets funded by capital grants or other income which are held for the continuing use of the academy trust together with unspent capital grants.

The transfer of £18,743 into the fixed asset fund represents fixed assets purchased using GAG funding.

The transfer of £29,257 from donations to other income is to cover deficit on catering and school trip income.

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Intangible fixed assets	-	-	1,291	1,291
Tangible fixed assets	-	-	2,751,812	2,751,812
Current assets	136,061	351,280	-	487,341
Current liabilities	-	(171,699)	-	(171,699)
Pension scheme liability	-	(3,000)	-	(3,000)
Total net assets	<u>136,061</u>	<u>176,581</u>	<u>2,753,103</u>	<u>3,065,745</u>

17 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2017 £	2016 £
Net (expenditure)/income	(268,153)	18,823
Capital grants from DfE (note 2)	(4,894)	(4,422)
Interest receivable (note 5)	(1,132)	(1,978)
Amortisation (note 11)	3,206	3,206
Depreciation charges (note 12)	153,246	147,833
FRS 17 Pension cost less contribution payable (note 20)	3,000	-
Decrease in debtors	1,247	34,935
Decrease in creditors	(8,966)	(2,497)
Net cash (used in)/provided by Operating Activities	<u>(122,446)</u>	<u>195,900</u>

18 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.

19 Financial Commitments

The academy is committed to expenditure of £194,600 (2016: £767,397) over academic and financial year 2017-2018 (2016: two years) for the provision of the services required to deliver its curriculum. The contract includes an annual review of the contractor's performance and future costs in relation to staffing levels and the number of pupils in each year. Following a review in July of the staffing requirements for 2017-2018 to reflect the additional staff employed directly by the school commitments were agreed for the year ended 31 August 2018 as £194,600 (2016: £343,023).

The Leeds Jewish Free School

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

20 Pension and Similar Obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £19,411 (2016: £nil).

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 a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

20 Pension and Similar Obligations (continued)

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 2017 was £6,000 (2016: £nil), of which employer's contributions totalled £3,000 and employees' contributions totalled £3,000 (2016: £nil). The agreed contribution rates for future years are 20% for employers and between 5.50% and 6.80% 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.

The Academy has only started employing staff eligible for the LGPS during the year ended 31 August 2017 and so no comparatives been provided for the information below.

Principal Actuarial Assumptions

At 31 August
2017

Rate of increase in salaries	3.15%
Rate of increase for pensions in payment/inflation	1.90%
Discount rate for scheme liabilities	2.50%
Inflation assumption (CPI)	1.90%

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

At 31 August
2017

Retiring today

Males	22.1
Females	23.0

Retiring in 20 years

Males	25.2
Females	27.0

At 31 August
2017
£

Sensitivity analysis

Discount rate +0.1%	-
Discount rate -0.1%	-
Mortality assumption – 1 year increase	-
Mortality assumption – 1 year decrease	-
CPI rate +0.1%	-
CPI rate -0.1%	-

The academy's share of the assets in the scheme were:

Fair value at 31
August 2017

	£
Equity instruments	4,626
Debt instruments	810
Property	288
Other	276
Total market value of assets	<u>6,000</u>
Present value of scheme liabilities	
-funded	(9,000)
Deficit in scheme	<u><u>(3,000)</u></u>

The actual return on scheme assets was £nil.

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

Amounts recognised in the statement of financial activities

	2017
	£
Current service cost	6,000
Total operating charge	<u>6,000</u>

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

	2017
	£
At 1 September	-
Current service cost	6,000
Employee contributions	<u>3,000</u>
At 31 August	<u>9,000</u>

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

	2017
	£
At 1 September	
Employer contributions	3,000
Employee contributions	<u>3,000</u>
At 31 August	<u>6,000</u>

21 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The school shares some facilities on the Henry Cohen Campus with Brodetsky Primary School and The Zone (a community facility for local residents). Brodetsky School Limited (Company No. 03929605) provides staff and support facilities to Brodetsky Primary School and Leeds Jewish Free School. To take advantage of scale economies and to avoid duplication the parties on the campus share and provide services to each other, services are recharged to the related parties on a strict principle of recovering cost and on a 'not for profit' and 'open-book' basis. Wherever possible the value of the recharge is calculated by reference to identifiable sources i.e. utility meters, payroll reports etc. Where costs are apportioned because a shared cost cannot be directly allocated to the party the recharge calculation methodology is based on a reasonable basis related to the party's use of the resource. The method of allocating costs are documented and agreed by all the parties.

Trustees of Leeds Jewish Free School also serve as governors at Brodetsky Primary School and are directors of Brodetsky School Limited. As at Leeds Jewish Free School no governors or directors at Brodetsky Primary School and Brodetsky School Limited receive any remuneration for their duties at these organisations.

The Leeds Jewish Free School

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

Table of joint control

Trustee Leeds Jewish Free School	Governor Brodetsky Primary School	Director Brodetsky Schools Limited	Brodetsky Jewish Primary School Foundation Trust
Cllr Dan Cohen	✓	✓	✓
Henry Cohen	✓		
Alex Abrams			
Rabbi Reuven Cohen			
Rabbi Jason Kleiman	✓		✓
Spencer Weiner			
Jason Broch	✓		✓
Alan Dunwell	✓	✓	✓

The following transactions and balances arose with Brodetsky Primary School:

	2017	2016
	£	£
Shared facility costs	135,890	154,170
Shared facility income	66,457	10,505
Trade debtor	33,641	5,810
Trade creditor	-	27,941
Accruals	46,134	11,928

The following transactions arose with Brodetsky Schools Limited:

Donations received	-	100,000
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The following transactions arose with Dan Cohen:

Donations received	2,000	-
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The land on which the Leeds Jewish Free School is situated is leased from the Brodetsky Jewish Primary School Foundation Trust on a peppercorn rent.