

Company Registration No. 08632527 (England and Wales)

TOWER HAMLETS ENTERPRISE ACADEMY

(TRADING AS LONDON ENTERPRISE ACADEMY)

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
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**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees

A Ali (Principal) (Appointed 1 September 2014) *#
Dr Muzzammil Hussain (Chair of governors) (Appointed 10 December 2014) *#
Emily de Grove (Assistant Principal) (Appointed 10 December 2014) #
Syed Ahmed (Appointed 10 December 2014 and resigned 11 September 2015) *
Peter Mann (Appointed 10 December 2014) *
Philip Davis (Appointed 10 December 2014) #
Asma Begum (Appointed 10 December 2014 and resigned 24 June 2015) *
Dudbahar Begum (Appointed 10 December 2014) #
Masud Ahmed (Appointed 10 December 2014)
Shajahan Alam (Resigned 5 December 2014) *
Laurence Butt (Appointed 17 November 2014 and resigned 8 December 2014)
Dr Margaret Etherington (Appointed 17 November 2014 and resigned 26 November 2014)
Jamal Khan (Appointed 22 October 2014 and resigned 2 December 2014) *
Somir Ali (Resigned 1 December 2014) *
Chloe Tyler (Appointed 18 June 2015) *
Leanne Gelderd (Appointed 18 June 2015) *
Jake Levy (Non trustee governor)

* members of the finance, resources and audit committee
members of the curriculum and standards committee

Members

Shajahan Alam
Somir Ali
Dr Muzzammil Hussain
Shahedul Alam
Peter Mann
Emily de Grove
Sarah Patterson
Ashraf Khan

Senior management team

- Principal

Ashid Ali

Company registration number

08632527 (England and Wales)

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
REFERENCE AND ADMINISTRATIVE DETAILS**

Registered office

Aneurin Bevan House
81 Commercial Road
London
E1 1RD

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11-16 serving a catchment area in Tower Hamlets. It has a pupil capacity of 600 and had a roll of 192 in the school census on October 2015.

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 academy trust trades as London Enterprise Academy.

The trustees of Tower Hamlets Enterprise Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The company has purchased trustees liability insurance through DfE RPA which forms part of the Academy's insurance policy.

Method of recruitment and appointment or election of trustees

The trust's approach to appointing governors is to use our broad community connections to appoint governors with relevant experience. All governors should have a strong sympathy to the vision, values, ethos of the school.

The method of recruitment as laid out in our memorandum and articles is as follows:

- The Members shall appoint up to 8 Governors and may similarly require the removal from office of any such person and nominate another person in his/her place provided always that the Principal shall be an ex officio Governor.
- The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors.
- The LA may appoint the LA Governor.
- The Principal shall be treated for all purposes as being an ex officio Governor.
- Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

Following their appointment/election all Governors received an introduction to their role from the Principle and or Chair of Governors. This introduction includes a tour of the school and the opportunity to meet the school Leadership.

Governors are encouraged to undertake a variety of training including induction training within the first three months of appointment. There is also the opportunity for e-learning through training and in house training as well as training through consultants and Tower Hamlets Council Governor Services. Regular skills training is undertaken by both the Chair and Vice Chair to ensure Governors are aware of their statutory duties.

Organisational structure

The board of trustees of Tower Hamlets Enterprise Academy is constituted under the memorandum and articles of association.

The board of trustees is responsible for ensuring high standards of corporate governance are maintained.

During the year, the board of trustees delegated the responsibility of running the school to the Principal and his leadership team which consist of the Principal, three Assistant Principals and the Business Manager).

The Management Structure of London Enterprise Academy consists of the following:

Tower Hamlets Enterprise Academy Trust
Governing Body
Governing Body Committees
Principal
Teaching and Support Staff

The aim of the Management Structure is to devolve responsibility and encourage involvement in decision making at all levels. The Governors are responsible for agreeing policies, adopting an annual plan and budget, monitoring the School across a variety of areas and making strategic decisions about the direction of the School collaboratively with the Senior Leadership Team.

The Principal and Senior Leadership Team undertake the day to day management of Tower Hamlets Enterprise Academy at an executive level implementing the policies laid down by Governors and reporting back to them. The Principal is the accounting officer and is responsible for the authorisation of spending within agreed budgets. The Principal is responsible for the appointment of staff and all senior appointments will include a member of the Governing Body to ensure openness and transparency. All other appointments will be made according to the recruitment policy.

The Principal is the 'Accounting Officer' of Tower Hamlets Enterprise Academy.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

Connected organisations including related party relationships

Tower Hamlets Enterprise Academy is a single academy and does not have any sponsors or any beneficiaries.

One of the employees (Premises and Network manager) appointed in September 2014 is the brother of a Member (Somir Ali) and this appointment has been declared and approved by governors. Another member of staff (Learning Mentor) recruited for September 2015 is the sister of a Director (Dudbahar Begum) and this appointment has been declared and approved by governors.

Objectives and activities

Objects and aims

The objectives of the trust in summary is to establish a school for the benefit of the public. In the last year the activities of the trust in pursuit of this object is the establishment of London Enterprise Academy.

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

In accordance with the Articles of Association, the trust has adopted the Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting pupils to the academy trust.

Objectives, strategies and activities

The strategies and activities that have allowed us to fulfil our objectives are as follows:

- To effectively manage the extensive refurbishment of the office building to make it suitable for London Enterprise Academy to operate as a school;
- To appoint a project management team subsequent to the successful application to start London Enterprise Academy;
- To build excellent local partnerships with other local schools, MP, Councillors, Mayor and local authority education department in order to build positive local support for the school;
- To undertake an extensive marketing campaign that allowed us to fill most of our 120 places at the school;
- To build good will towards London Enterprise Academy among the local community by recruiting and training over volunteers to raise awareness of London Enterprise Academy;
- To hold open days and fun days for prospective parents and the local community;
- To strengthen the governing body with appropriate skills sets to operate in accordance with our memorandum and articles;
- To recruit staff and parent governors;
- To procure services and equipment for the infrastructure of the school in accordance with procurement guidelines – This includes furniture and fittings, MIS systems, marketing materials, food supplies; and
- To recruit a team of teaching and support staff to be able to deliver the curriculum and the support functions of the school.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. During the year the trust has been involved in developing a publicly funded school to provide education to students in the local area.

Strategic report

Achievements and performance

Pupils in Year 7 made exceptional progress in English and good progress in mathematics. 100% of parents/carers surveyed would recommend the school to other parents.

The academy successfully recruited a team of skilled staff to fulfil the trusts primary purpose of furthering education for the public benefit.

The trust has managed the successful completion of the second phase of the building works.

Key performance indicators

- All students make expected levels of progress
- All students are expected to reach an attendance target of at least 96%
- 90% of parents regularly attend progress meetings relating to their child
- All students take part in the London Enterprise Academy Plus (LEAP) activities

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Capital grants of £2,810,169 were recognised during the year for building work on the school premises, fixtures and fittings and ICT equipment.

With total incoming resources of £1,204,280 (excluding capital expenditure) and total resources expended of £1,034,855 (excluding depreciation) the trust has net income for the year of £169,425.

Reserves policy

The Trustees review the reserve levels of Tower Hamlets Enterprise Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The level of reserves will be kept under review and is necessary to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance in a sustainable fashion. Reserves may be used to achieve the objectives of the Academy at any time at the discretion of the trustees.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

Investment policy and powers

Trustees of Tower Hamlets Enterprise Academy are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds.

Trustee's management of cash flow should ensure that there are always sufficient funds in the main bank account to cover operational costs. The Academy banks with Barclays who are on the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

Principal risks and uncertainties

Trustees have identified the following areas affecting the School's risk and uncertainties at Tower Hamlets Enterprise Academy.

Financial Risk

The School development plan is followed closely to ensure that staffing is sustainable.

Failure in Governance/management

Trustees continue to review and ensure that measures are in place to mitigate the risks.

Reputational Risk

The success of the school depends on maintaining high educational standards in order to attract sufficient number of pupils to the school. Trustees are focussed in monitoring and reviewing the achievement and success of the children now the school has opened.

Significant changes in staff

Trustees have a policy in place to develop existing staff as well as continue to review and monitor arrangements for any new staff which may be required

Safeguarding and child protection

Trustees continue to ensure that high standards are maintained in selecting staff. The Academy has a safeguarding policy and provides training and support in order to protect vulnerable young children in its care.

Financial and risk management objectives and policies

Regular monitoring takes place to ensure the School has sufficient funds to meet all its obligations. The risks have been assessed and controls put in place to mitigate the risks. There is a formal ongoing process to identify, evaluate and monitor risk and this is reviewed as necessary.

Implementation of Finance, Health & Safety, Recruitment and Safeguarding Policies significantly reduce the risk to the trust.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

Plans for future periods

The objectives for the next year of Tower Hamlets Enterprise Academy are:

- To ensure that all new staff to the Academy are fully induced with policies and procedures;
- To develop whole school priorities and implement the vision for the future of the Academy;
- To ensure that rigorous process of assessment is established;
- To attain high standards in reading, writing and maths through ongoing staff development and high quality teaching and learning;
- To ensure that all children receive appropriate support and challenge; and
- To provide training and development to trustees to ensure that they can continue to develop the strategic overview.


Auditor

In so far as the trustees are aware:

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

UHY Hacker Young was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09 December 2015 and signed on its behalf by:



Dr Muzzammil Hussain
Chair of governors

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT**

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tower Hamlets Enterprise Academy 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.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Ali (Principal) (Appointed 1 September 2014)	4	4
Dr Muzzammil Hussain (Chair of governors) (Appointed 10 December 2014)	4	4
Emily de Grovc (Assistant Principal) (Appointed 10 December 2014)	3	3
Syed Ahmed (Appointed 10 December 2014 and resigned 11 September 2015)	1	3
Peter Mann (Appointed 10 December 2014)	4	4
Philip Davis (Appointed 10 December 2014)	3	4
Asma Begum (Appointed 10 December 2014 and resigned 24 June 2015)	2	3
Dudbahar Begum (Appointed 10 December 2014)	3	4
Masud Ahmed (Appointed 10 December 2014)	3	4
Shajahan Alam (Resigned 5 December 2014)	1	1
Laurence Butt (Appointed 17 November 2014 and resigned 8 December 2014)	1	1
Dr Margaret Etherington (Appointed 17 November 2014 and resigned 26 November 2014)	1	1
Jamal Khan (Appointed 22 October 2014 and resigned 2 December 2014)	1	1
Somir Ali (Resigned 1 December 2014)	1	1
Chloe Tyler (Appointed 18 June 2015)	1	1
Leanne Gelderd (Appointed 18 June 2015)	1	1
Jake Levy (Non trustee governor)	1	1

In addition to their attendance at formal trustee meetings shown above, Chloe Tyler and Leanne Gelderd were also in attendance at trustee meetings from December 2014 up until their formal appointment as trustees in June 2015.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

The finance, resources and audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the financial operation of the academy:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Ali (Principal) (Appointed 1 September 2014)	4	4
Dr Muzzammil Hussain (Chair of governors) (Appointed 10 December 2014)	4	4
Syed Ahmed (Appointed 10 December 2014 and resigned 11 September 2015)	0	3
Peter Mann (Appointed 10 December 2014)	1	3
Asma Begum (Appointed 10 December 2014 and resigned 24 June 2015)	0	3
Shajahan Alam (Resigned 5 December 2014)	1	1
Jamal Khan (Appointed 22 October 2014 and resigned 2 December 2014)	1	1
Somir Ali (Resigned 1 December 2014)	1	1
Chloe Tyler (Appointed 18 June 2015)	1	1
Leanne Gelderd (Appointed 18 June 2015)	1	1

In addition to the formal committee meetings shown above, Chloe Tyler and Leanne Gelderd were also in attendance at finance, resources and audit committee meetings from December 2014 up until their formal appointment as trustees in June 2015.

The Curriculum and Standards committee is also a sub-committee of the main board of governors including trustees. The committee meets termly giving governors the opportunity to scrutinise in detail related to pupil Progress at the school. The meetings often involve senior leadership team and middle managers presenting data on students' academic achievement. Governors are then charged with asking challenging questions around groups of students not progressing fast enough. The agenda of the meetings also involve discussions about impact of the schools curriculum and pedagogy as well as receiving and reviewing a wide range of policies.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Ali (Principal) (Appointed 1 September 2014)	2	2
Dr Muzzammil Hussain (Chair of governors) (Appointed 10 December 2014)	2	2
Emily de Grove (Assistant Principal) (Appointed 10 December 2014)	2	2
Philip Davis (Appointed 10 December 2014)	1	2
Dudbahar Begum (Appointed 10 December 2014)	2	2

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

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. At London Enterprise Academy we are striving to create a truly outstanding free school delivering the very best educational opportunities, nurture academic excellence and enhanced ambition in all its pupils, inspire the next generation of professionals and entrepreneurs from diverse backgrounds. The accounting officer for the academy trust has delivered improved value for money during the year by:

Ensuring the school demonstrates value for money

- Financial Governance and oversight is robust. The members of the Finance, Audit & Resources Committee have financial and business experience. Two members are qualified accountants.
- The School obtains 3 quotes before incurring any expenditure above £1,000 and full tendering is applied to contracts whose annual or total value exceeds £25,000.
- The Principal and the Business Manager review all purchasing to ensure that goods and services procured represent value for money and meet the aims of the school.
- Management accounts are circulated to governors on a bi-monthly basis, expenditure is monitored against budget and any significant variances are reported accordingly.
- The annual budget and 3-year budget plan is approved by governors and reviewed on a regular basis throughout the year.

Maximising Income Generation

- The school has shared some staffing resources to a local free school which allowed the school to generate additional income to further its aims.
- The school buildings are still undergoing refurbishment. There has been interest from the local community for hiring of classrooms and spaces for meetings and sports. The School seeks to explore these opportunities to generate additional income stream and provide services to the local community.

Improving Educational Results

- Rigorous tracking of student progress and achievement to ensure interventions and support are targeted to realise best outcome.
- The broad curriculum, extra curriculum and extension activities provide students with the opportunity to achieve the highest levels of academic and personal achievement which their abilities allow.
- We have reviewed our staffing structure and timetable to ensure teaching staff are efficiently deployed providing best value.

Reviewing Controls and Managing Risk

- The Governing Body, the Principal and the Business Manager review budget monitoring reports against cost centres to ensure the school is able to take corrective actions necessary at an early opportunity. The school reviews its risk assessments and risk registers.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

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 Tower Hamlets Enterprise Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

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 period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, resources and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint UHY Hacker Young as internal auditor;
- the trustees have appointed C Tyler, a trustee, as responsible officer (RO); the trustees have appointed UHY Hacker Young the external auditor, to perform additional checks;

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the board of trustees through the finance, resources & audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015


Review of effectiveness

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

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

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

Approved by order of the board of trustees on 09 December 2015 and signed on its behalf by:



**A Ali
Principal**



**Dr Muzzammil Hussain
Chair of governors**

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015**

As accounting officer of Tower Hamlets Enterprise Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 09 December 2015 and signed by:



A Ali
Accounting Officer

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who also act as governors for Tower Hamlets Enterprise Academy and are also the directors of Tower Hamlets Enterprise Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 09 December 2015 and signed on its behalf by:



**Dr Muzzammil Hussain
Chair of governors**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER HAMLETS ENTERPRISE ACADEMY

We have audited the accounts of Tower Hamlets Enterprise Academy for the year ended 31 August 2015 set out on pages 21 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Tower Hamlets Enterprise Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF TOWER HAMLETS ENTERPRISE ACADEMY

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



Colin Wright (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: *9 December 2015*

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TOWER HAMLETS ENTERPRISE ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tower Hamlets Enterprise Academy during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Tower Hamlets Enterprise Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Tower Hamlets Enterprise Academy 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 Tower Hamlets Enterprise Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Tower Hamlets Enterprise Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tower Hamlets Enterprise Academy's funding agreement with the Secretary of State for Education dated 14 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO TOWER HAMLETS ENTERPRISE ACADEMY AND THE
EDUCATION FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Review and corroboration of the most recent Financial Management and Governance Evaluation
- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: *9 December 2015*

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	1,912	-	1,912	9,100,000
- Activities for generating funds	3	-	17,660	-	17,660	-
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	9,937	1,174,771	2,810,169	3,994,877	1,099,985
Total incoming resources		9,937	1,194,343	2,810,169	4,014,449	10,199,985
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	5	-	-	-	-	38
<i>Charitable activities</i>						
- Educational operations	6	-	1,012,299	268,750	1,281,049	187,553
Governance costs	7	-	22,556	-	22,556	25,384
Total resources expended	5	-	1,034,855	268,750	1,303,605	212,975
Net incoming/(outgoing) resources before transfers		9,937	159,488	2,541,419	2,710,844	9,987,010
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		9,937	159,488	2,541,419	2,710,844	9,987,010
Fund balances at 1 September 2014		-	27,025	9,959,985	9,987,010	-
Fund balances at 31 August 2015		9,937	186,513	12,501,404	12,697,854	9,987,010

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

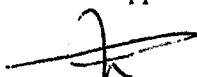
All of the academy's activities derive from continuing operations during the two financial periods above.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
BALANCE SHEET**

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	10	12,501,404	9,959,985
Current assets			
Debtors	11	1,500,263	590,577
Cash at bank and in hand		487,188	92,646
		<u>1,987,451</u>	<u>683,223</u>
Creditors: amounts falling due within one year	12	(1,785,001)	(656,198)
Net current assets		<u>202,450</u>	<u>27,025</u>
Total assets less current liabilities		<u>12,703,854</u>	<u>9,987,010</u>
Defined benefit pension liability	16	(6,000)	-
Net assets		<u><u>12,697,854</u></u>	<u><u>9,987,010</u></u>
Funds of the academy trust:			
Restricted income funds	14		
- Fixed asset funds		12,501,404	9,959,985
- General funds		192,513	27,025
- Pension reserve		(6,000)	-
Total restricted funds		<u>12,687,917</u>	<u>9,987,010</u>
Unrestricted funds	14	9,937	-
Total funds		<u><u>12,697,854</u></u>	<u><u>9,987,010</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 09 December 2015.



Dr Muzzammil Hussain
Chair of governors

Company Number 08632527

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	17	394,542	92,646
Capital expenditure and financial investments			
Capital grants received	2,810,169	859,985	
Payments to acquire tangible fixed assets	(2,810,169)	(859,985)	
Net cash flow from capital activities		-	-
Increase/(decrease) in cash	18	394,542	92,646

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1 Accounting policies

1.1 Basis of preparation

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

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

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

Grants receivable

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

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

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

Donations

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

Donated services and gifts in kind

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

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

1 Accounting policies

(Continued)

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Land and buildings	over the useful life of the asset
Building improvements	10% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	14%-20% straight line

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.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

1 Accounting policies (Continued)

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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.

1.8 Fund accounting

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

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

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Capital grants	-	-	-	9,100,000
Other donations	-	1,912	1,912	-
	<u>-</u>	<u>1,912</u>	<u>1,912</u>	<u>9,100,000</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Catering income	-	17,660	17,660	-
	<u>-</u>	<u>17,660</u>	<u>17,660</u>	<u>-</u>

TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

4 Funding for the academy trust's educational operations

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
DfE / EFA grants				
General annual grant (GAG)	-	1,116,274	1,116,274	-
Start up grants	-	-	-	240,000
Capital grants	-	2,810,169	2,810,169	859,985
Other DfE / EFA grants	-	48,498	48,498	-
	<u>-</u>	<u>3,974,941</u>	<u>3,974,941</u>	<u>1,099,985</u>
Other government grants				
Local authority grants	-	9,877	9,877	-
	<u>-</u>	<u>9,877</u>	<u>9,877</u>	<u>-</u>
Other funds				
Other incoming resources	9,937	122	10,059	-
	<u>9,937</u>	<u>122</u>	<u>10,059</u>	<u>-</u>
Total funding	<u>9,937</u>	<u>3,984,940</u>	<u>3,994,877</u>	<u>1,099,985</u>

5 Resources expended

	Staff costs & equipment	Premises	Other costs	Total 2015	Total 2014
	£	£	£	£	£
Academy's educational operations					
- Direct costs	577,466	-	50,760	628,226	14,568
- Allocated support costs	146,650	281,937	224,236	652,823	172,985
	<u>724,116</u>	<u>281,937</u>	<u>274,996</u>	<u>1,281,049</u>	<u>187,553</u>
Other expenditure					
Costs of activities for generating funds	-	-	-	-	38
Governance costs	-	-	22,556	22,556	25,384
	<u>-</u>	<u>-</u>	<u>22,556</u>	<u>22,556</u>	<u>25,422</u>
Total expenditure	<u>724,116</u>	<u>281,937</u>	<u>297,552</u>	<u>1,303,605</u>	<u>212,975</u>

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

5	Resources expended	(Continued)			
	Incoming/outgoing resources for the year include:		2015	2014	
			£	£	
	Fees payable to auditor		9,600	6,000	
	- Audit				
6	Charitable activities				
		Unrestricted funds	Restricted funds	Total	
		£	£	2015	
				£	
	Direct costs				
	Teaching and educational support staff costs	-	572,587	572,587	
	Educational supplies and services	-	45,504	45,504	
	Examination fees	-	1,320	1,320	
	Staff development	-	4,879	4,879	
	Other direct costs	-	3,936	3,936	
		-	628,226	628,226	
	Allocated support costs				
	Support staff costs	-	146,650	146,650	
	Depreciation	-	268,750	268,750	
	Technology costs	-	4,075	4,075	
	Recruitment and support	-	15,666	15,666	
	Maintenance of premises and equipment	-	13,187	13,187	
	Cleaning	-	130	130	
	Energy costs	-	42,031	42,031	
	Rent and rates	-	54,909	54,909	
	Insurance	-	9,055	9,055	
	Security and transport	-	-	-	
	Catering	-	36,568	36,568	
	Other support costs	-	61,802	61,802	
		-	652,823	652,823	
	Total costs	-	1,281,049	1,281,049	

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	11,596	11,596	18,361
Auditor's remuneration				
- Audit of financial statements	-	8,350	8,350	6,000
- Other audit costs	-	3,000	3,000	-
Trustees' reimbursed expenses	-	-	-	1,023
Other governance costs	-	(390)	(390)	-
	<u>-</u>	<u>22,556</u>	<u>22,556</u>	<u>25,384</u>

8 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	10	1
Administration and support	6	2
	<u>16</u>	<u>3</u>

Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	598,218	118,632
Social security costs	56,266	11,233
Other pension costs	64,753	-
	<u>719,237</u>	<u>129,865</u>
Staff development and other staff costs	4,879	-
Total staff costs	<u>724,116</u>	<u>129,865</u>

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

8 Staff costs

(Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2015	2014
	Number	Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£	<u>3,830</u>	<u>3,830</u>

9 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, 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. During the year, travel and subsistence payments totalling £nil (2014: £ 1,023) were reimbursed to zero trustees (2014: 1 trustees).

The value of trustees' remuneration was as follows:

Mr A Ali (principal) £80,000 - £90,000 (2014: £80,000-£90,000)

Other related party transactions involving the trustees are set out within the related parties note.

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 trust business. The insurance provides cover up to £5,000,000 on any one claim.

TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

	Land and buildings	Building improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2014	9,100,000	609,743	221,279	28,963	9,959,985
Additions	-	2,571,759	150,598	87,812	2,810,169
At 31 August 2015	9,100,000	3,181,502	371,877	116,775	12,770,154
Depreciation					
At 1 September 2014	-	-	-	-	-
Charge for the year	109,200	60,974	85,061	13,515	268,750
At 31 August 2015	109,200	60,974	85,061	13,515	268,750
Net book value					
At 31 August 2015	8,990,800	3,120,528	286,816	103,260	12,501,404
At 31 August 2014	9,100,000	609,743	221,279	28,963	9,959,985

Fixed assets are funded by EFA capital grants.

11 Debtors

	2015 £	2014 £
VAT recoverable	347,783	76,645
Prepayments and accrued income	1,152,480	513,932
	1,500,263	590,577

Prepayments and accrued income include £1,152,480 (2014: £513,932) relating to grants due from the EFA for building works and the purchase of other assets capitalised during the period.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Taxes and social security costs	-	3,250
EFA creditors	524,686	69,210
Other creditors	73,810	-
Accruals	1,165,108	523,738
Deferred income	21,397	60,000
	<u>1,785,001</u>	<u>656,198</u>
13 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	<u>21,397</u>	<u>60,000</u>
Total deferred income at 1 September 2014	60,000	-
Amounts credited to the statement of financial activities	(60,000)	-
Amounts deferred in the year	<u>21,397</u>	<u>60,000</u>
Total deferred income at 31 August 2015	<u>21,397</u>	<u>60,000</u>

Deferred income relates to the Pupil Premium of £16,129 and SEN top up funding £5,269 (2014: relates to the start up grant for the 2014/2015 academic year received in advance of £60,000).

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015**

14 Funds

	Balance at 1 September 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	1,116,274	(923,761)	-	192,513
Start up grants	27,025	-	(27,025)	-	-
Other DfE / EFA grants	-	48,498	(48,498)	-	-
Other government grants	-	9,877	(9,877)	-	-
Other restricted funds	-	19,694	(19,694)	-	-
	<u>27,025</u>	<u>1,194,343</u>	<u>(1,028,855)</u>	<u>-</u>	<u>192,513</u>
Funds excluding pensions	27,025	1,194,343	(1,028,855)	-	192,513
Pension reserve	-	-	(6,000)	-	(6,000)
	<u>27,025</u>	<u>1,194,343</u>	<u>(1,034,855)</u>	<u>-</u>	<u>186,513</u>
Restricted fixed asset funds					
DfE / EFA capital grants	9,959,985	2,810,169	(268,750)	-	12,501,404
	<u>9,959,985</u>	<u>2,810,169</u>	<u>(268,750)</u>	<u>-</u>	<u>12,501,404</u>
Total restricted funds	<u>9,987,010</u>	<u>4,004,512</u>	<u>(1,303,605)</u>	<u>-</u>	<u>12,687,917</u>
Unrestricted funds					
General funds	-	9,937	-	-	9,937
	<u>-</u>	<u>9,937</u>	<u>-</u>	<u>-</u>	<u>9,937</u>
Total funds	<u>9,987,010</u>	<u>4,014,449</u>	<u>(1,303,605)</u>	<u>-</u>	<u>12,697,854</u>

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

Restricted General Funds

The Start Up grant was provided to cover expenditure incurred in the set up of the Tower Hamlets Enterprise Academy.

Restricted Fixed Asset Funds

Capital funding was received during the year towards the establishment of the necessary infrastructure for Tower Hamlets Enterprise Academy.

**TOWER HAMLETS ENTERPRISE ACADEMY
(TRADING AS LONDON ENTERPRISE ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	12,501,404	12,501,404
Current assets	9,937	825,034	1,152,480	1,987,451
Creditors: amounts falling due within one year	-	(632,521)	(1,152,480)	(1,785,001)
Defined benefit pension liability	-	(6,000)	-	(6,000)
	<u>9,937</u>	<u>186,513</u>	<u>12,501,404</u>	<u>12,697,854</u>

16 Pensions 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 London Borough of Tower Hamlets. Both are defined-benefit schemes.

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

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

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16 Pensions and similar obligations

(Continued)

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 Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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16 Pensions and similar obligations

(Continued)

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £7000.

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.

	2015
	£
Employer's contributions	7,000
Employees' contributions	3,000
Total contributions	<u>10,000</u>

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16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2015
	%
Rate of increase in salaries	2.7
Rate of increase for pensions in payment	4.1
Discount rate for scheme liabilities	3.8
Expected Return on Assets	3.8

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

	2015
	Years
Retiring today	
- Males	22.2
- Females	24.2
Retiring in 20 years	
- Males	24.3
- Females	26.4

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015	2015
	Expected return	Fair value
	%	£
Equities	3.8	6,000
Bonds	3.8	2,000
Property	3.8	1,000
Other assets	3.8	1,000
	<u>3.8</u>	<u>10,000</u>
Total market value of assets		10,000
Present value of scheme liabilities - funded		(16,000)
		<u>(6,000)</u>
Net pension asset / (liability)		<u>(6,000)</u>

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16 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

2015

£

Financial expenditure/(income)

Expected return on pension scheme assets

-

Interest on pension liabilities

-

-

=====

Other expenditure/(income)

Current service cost

13,000

Past service cost

-

13,000

=====

Total operating charge/(income)

13,000

=====

Actuarial gains and losses recognised in the statement of financial activities

2015

£

Actuarial (gains)/losses on assets: actual return less expected

-

Experience (gains)/losses on liabilities

-

(Gains)/losses arising from changes in assumptions

-

Total (gains)/losses

-

=====

Cumulative (gains)/losses to date

-

=====

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16 Pensions and similar obligations

(Continued)

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

	2015
	£
Current service cost	(13,000)
Contributions by employees	(3,000)
	<u>(16,000)</u>

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

	2015
	£
Contributions by employers	7,000
Contributions by employees	3,000
	<u>10,000</u>

History of experience gains and losses:

	2015
	£
Present value of defined benefit obligations	(16,000)
Fair value of share of scheme assets	10,000
	<u>(6,000)</u>
Surplus / (deficit)	<u>(6,000)</u>
Experience adjustment on scheme liabilities	-
Experience adjustment on scheme assets	-
	<u>-</u>

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

	2015	2014
	£	£
Net income	2,710,844	9,987,010
Capital grants and similar income	(2,810,169)	(9,959,985)
FRS17 pension costs less contributions payable	6,000	-
Depreciation of tangible fixed assets	268,750	-
(Increase)/decrease in debtors	(909,686)	(590,577)
Increase/(decrease) in creditors	1,128,803	656,198
Net cash inflow/(outflow) from operating activities	<u>394,542</u>	<u>92,646</u>

18 Reconciliation of net cash flow to movement in net funds

	2015	2014
	£	£
Increase/(decrease) in cash	394,542	92,646
Net funds at 1 September 2014	92,646	-
Net funds at 31 August 2015	<u>487,188</u>	<u>92,646</u>

19 Analysis of net funds

	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£
Cash at bank and in hand	<u>92,646</u>	<u>394,542</u>	<u>-</u>	<u>487,188</u>

20 Commitments under operating leases

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

	2015	2014
	£	£
Expiry date:		
- Between two and five years	<u>7,320</u>	<u>-</u>

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21 Related parties

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

During the year a company, iPro Consulting of which one of the governors was a director in the year, was used to purchase a domain name and web hosting services. The total amount was £27.36 excl VAT, at cost.

22 Members' liability

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