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Financial Statements United Learning Trust

For the year ended 31 August 2014

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Registered number: 04439859

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Reference and Administrative Details of the Academy Trust, its Directors and Advisers

For the year ended 31 August 2014

Member

The United Church School Trust

Trustees

Mr A Bailey KCSS (resigned 21 November 2013)
Dr P Chadwick (resigned 21 November 2013)
Mr H A Cann (resigned 21 November 2013)
Mr G Davies (resigned 21 November 2013)
Mr M George (resigned 21 November 2013 and reappointed 24 September 2014)
Dr R Glew (resigned 21 November 2013)
Dr J Golob (resigned 21 November 2013)
Mr E Gould, Chairman (resigned 31 July 2014)
Sir A Greener
Mr D Robinson
Mr N Robson, Chairman (appointed Chairman 1 August 2014)
Mr J Wooding (resigned 21 November 2013)
Mrs A Crowe
Dame Yasmin Bevan (appointed 21 November 2013)
Air Chief Marshal Sir Michael Graydon GCB, CBE, Deputy chairman (appointed 21 November 2013)
Mr J Coles (appointed 21 November 2013)
Professor D Nutbeam (appointed 22 May 2014, resigned 11 July 2014)

Company registered number

04439859

Principal and registered office

Fairline House
Nene Valley Business Park
Oundle
Peterborough
PE8 4HN

Company secretary

Mr A C D Holmes (appointed 24 September 2014)
Mr J A Nicholson FCA (resigned 4 July 2014)

Chief executive officer

Mr J Coles

Senior management team (as at 1 September 2014)

Mr J Coles, Chief Executive Officer
Mrs A Bush, Head of Strategy and Performance
Mrs L Johnston, Chief Financial Officer

Reference and Administrative Details of the Academy Trust, its Directors and Advisers

For the year ended 31 August 2014

Administrative details (continued)

Mr D Norrish, Group Director of Technology
Mrs M Coalter, Director of People
Dame S Coates, Director of Secondary Academies (South)
Mrs J Woods, Director of Secondary Academies (North)
Mr D Lee, Primary Director
Mrs T Ruddle, Primary Director

Independent auditor

Grant Thornton UK LLP
Chartered Accountants
300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

Bankers

Barclays Bank PLC
Birmingham

Solicitors

Hewitsons
7 Spencer Parade
Northampton
NN1 5AB

Stone King
30 Station Road
Cambridge
CB1 2RE

Directors' Report

For the year ended 31 August 2014

The Directors present their annual report together with the audited financial statements of United Learning Trust (the charitable company) for the year ended 31 August 2014. The Directors confirm that the Annual report and financial statements of the Academy Trust comply with current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

The charitable company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 May 2002. The charitable company is an exempt charity.

The principal object of the charitable company is to provide for the public benefit, education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining and developing schools offering a broad curriculum with a strong emphasis on, but in no way limited to, either one, or a combination of the specialisms specified in the Relevant Funding Agreements, in all cases to include religious instruction in the doctrine and duties of Christianity, principally the same as are taught by the Church of England but also sensitive to the teachings, attitudes and practices of other Christian Communion and Denominations.

In accordance with the Articles of Association the charitable company has adopted a scheme of governance approved by the Secretary of State for Education. The scheme of governance specifies, amongst other things, the criteria for admitting students to the academies, and that the curriculum should comply with the substance of the national curriculum with an emphasis on a particular subject and its practical applications.

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.

Method of recruitment and appointment or election of Directors

The management of the charitable company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Directors hold office for three years. They may, if reappointed, remain in office for up to three further consecutive periods of three years after which any Director can be re-appointed on an annual basis. Directors are appointed by the sponsor, United Church Schools Trust.

Risk management

The Directors have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Subsidiary companies

The charitable company owns 100% of the issued ordinary shares of ULT Projects Limited, ULT Trading Limited and Regis Community Arena Limited, companies incorporated in England. Further details about these companies

Directors' Report (continued)

For the year ended 31 August 2014

are given in Note 18 to the financial statements.

Connected organisations

United Church Schools Trust and United Church Schools Foundation Limited are within the same charitable group as the charitable company and are assisting the charitable company to achieve its objectives of providing education within the academy programme.

Public benefit

The Directors confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the charitable company's aims and objectives and in planning future activities for the year.

Strategic report

Objectives, strategies and activities

The charitable company manages the operation of a group of academies to provide education for students of different abilities from nursery to age 19.

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

Our overall aim is to promote excellent education, providing strong schools which enable all young people to make a success of their lives.

The roots of our charity can be traced back 130 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength today lies in the unique collaboration between state and independent schools, in our national reach and in our continued determination to learn, improve and achieve excellence.

Over the course of the year, we have developed a 'Framework for Excellence', codifying for the first time the five key principles which underpin our approach to education across all our schools. These are:

- The best from everyone
- Powerful knowledge
- Education with character
- Leadership in every role
- Continuous improvement

The principles of the Framework for Excellence underpin all our work in schools. We support our schools to implement the Framework through five key objectives:

- Strong school improvement
- Outstanding people
- An enabling centre
- Financially successful
- An ethos of 'the best in everyone'

Directors' Report (continued)

For the year ended 31 August 2014

Over the course of the year we have made progress against each of these goals.

The Framework for Excellence

The Framework for Excellence sets out a clear picture of the central components of excellent education in United Learning schools. It has been developed and codified during the course of the year and will be further embedded over the next year.

The activities to raise expectations, develop leadership and engender continuous improvement are largely described in later sections. In relation to the key theme of 'powerful knowledge', we have established subject networks for both primary and secondary phases, established a curriculum review project, carried out significant research and development work, and introduced subject-specialist professional development days. Again, some of this work is described below. Turning to 'education with character', we have sought to take advantage of our unique combination of state and independent schools within the group, to develop pupil experiences which challenge and develop all our young people. During the year, some 8,500 pupils from 44 schools took part in some form of group-wide pupil experience. These included:

- Partnership events with organisations which offer our schools bespoke opportunities, including The Day, Wings of Hope, MyBnk, Free the Children, the OIBC and 7 billion ideas
- Cluster and group wide competitions and festivals, including sport, music and poetry
- Shared experience between United Learning schools, including meeting our United Learning Sport Ambassadors, sport competitions, the United Learning Primary Poetry and Choral Festival and We Day UK 2014

In July we held the second annual Best in Everyone Awards to celebrate the achievement of our students and staff. Some 400 nominations were received for the awards representing individuals, teams, year and subject groups with winners coming from across the country.

Our six Sport Ambassadors (leading sports people, each representing a different United Learning value) have, between them, worked with 6,000 of our students in their first year. We continued to build on our Olympic Legacy pledge to improve participation in sport and presented our work to the DCMS Select Committee. We created our PE and Sport Subject Leader Network which includes representatives of each of our secondary schools and held a residential event at the FA's St George's Park facilities.

Over the course of the year, our staff and schools were involved in a range of significant projects and activities using their strengths to support our role within our local communities and society as a whole:

- Frank McCarron, Principal of Stockport Academy, presented to the Stonewall Education Conference on the diversity, inclusivity and equality programmes underway at his academy following its success in winning the 2014 Accord Coalition Inclusivity Award;
- Staff and pupils at Northampton and Accrington academies formed the basis of a week long report on BBC Radio 4's The World at One about our initiatives to support the aspirations and performance of white working class students and their families;
- North Oxfordshire Academy organised and hosted Banbury Literary Live, a new festival for literature which the academy intends to grow into a major regional event for schools and the wider community;
- Pupils from United Learning represented the UK in the International High School Arts Festival, a prestigious Japanese global competition;
- Paddington Academy hosted the UK launch for Free the Children's We Day and 400 participants from across our schools attended its inaugural UK event at Wembley Arena in March;
- We held the inaugural United Learning primary choral and poetry festivals.

Directors' Report (continued)

For the year ended 31 August 2014

School Improvement

Over the course of the year, our schools have received challenge and support in accordance with their needs. Each school has an established five year plan, from which targets are derived for each year. The Head of each school reports to one of the education directors, who sets targets and holds schools to account through formal, termly meetings, which are informed by data and evidence.

United Learning Advisers provide schools and local governing bodies with challenge and support. In addition, we broker both local and national support from outstanding schools from within and outside the Group. This includes specific core curriculum support from United Learning subject advisers and national experts offering clear advice on issues such as literacy intervention, SEN, EAL, transition, performance of micro-populations etc.

Academic performance improved across the charitable company over the course of the year.

Secondary Academies

Across our secondary academies, performance continued to improve in a year where, nationally, achievement at 5+ GCSEs including English and maths fell sharply.

At GCSE our overall group performance in this measure increased by 1.5 percentage points with seven secondary academies (Glenmoor, Paddington, Seahaven, Sheffield Park, Stockport, Swindon, The Regis School) achieving their highest ever grades.

Other key achievements include:

- Narrowing the gap between students on Pupil Premium and those not to 17 percentage points against a 2013 national average of 27 points;
- Sheffield Park Academy continuing to demonstrate sustained improvement with a headline figure of 65%;
- William Hulme's Grammar School being the second highest achieving state school in Manchester;
- Stockport Academy improving its headline figure by 17 percentage points;
- Paddington Academy achieving 84% - one of the highest results in the country for a school in a similar context.

Post-16, there were notable successes across our academies including:

- Walthamstow Academy increasing its A*-C grades from 57.6% to 66% and its A*/A from 11.8% to 17.5%;
- The Regis School increasing its A*-C from 58.2% to 65.2%;
- Paddington Academy increasing its A*-C grades from 64.2% to 69.8% with increases at A*/A and A*-B too.

Students from our academies continued to take up offers from Russell Group and Oxbridge. Many of our students have become the first in their families to go to university.

Primary Academies

Our primary academies have achieved significant increases in percentage of pupils making or exceeding expected progress in reading and maths at KS2: 89% make at least expected progress in reading (up from 80% 2013) and 90% make at least expected progress in mathematics (up from 77%). The percentage of pupils exceeding expected progress also rose sharply in reading (from 20% to 35%) and in mathematics (from 8% to 30%). Progression rates are now around the national averages in each of reading, writing and mathematics.

Particularly strong progress was made at Cravenwood, Beacon View, Victory, Hanwell Fields and Abbey Hey primary schools, all of which achieved improvements of over 20 percentage points on this measure. Southway Primary continued its trend of improving performance, and good improvement was also achieved at Wilberforce and Silverdale primaries.

Directors' Report (continued)

For the year ended 31 August 2014

Particularly high absolute performance was achieved at Congreaves, Timbertree and William Hulme's Grammar School, where virtually all pupils achieved nationally expected standards, and significantly more than national average achieved the higher 'level 5' standard.

The Group continues to be successful in getting low achieving pupils to make at least expected progress between KS1 and KS2: some 91% of low performing mathematics pupils at KS1 made or exceeded expected progress to KS2 attainment, much higher than the national figure. Similarly, 84% of those who had low attainment in reading at KS1 made at least expected progress.

Likewise, between 2013 and 2014, we have seen a sharp increase from 36% to 54% in the percentage of pupils achieving a good level of development in the early years foundation stage.

Outstanding People

The quality of education in an organisation depends more than anything on the people who are teaching children and running schools. We aim to recruit outstanding teachers and leaders, and to develop them highly effectively, attracting increasing numbers of top graduates and being seen as an excellent employer.

As the labour market becomes tighter, we are investing in initiatives that will continue to attract and retain excellent colleagues. We look to develop our own talented staff as leaders, to ensure a strong pipeline of senior staff for the future. We continue to prioritise putting in place pay and conditions which improve upon state school norms, in order to remain a highly attractive employer.

The establishment of the United Learning Institute as a 'corporate university' is designed to ensure that we have in place an excellent programme of development for every member of staff, no matter what their career stage. Programmes in the first year have included induction, core and subject specialist training for teachers, middle leadership training and senior leadership training. Around one in five colleagues across the organisation have had some involvement with these programmes, including a third of the middle leader group. Our Talent Development Programme has identified those within the group who, with training, are either currently ready for Headship or will be within three years.

On 4 October 2013 the group held all staff events at four venues across the country including the Excel Conference Centre in London where 3,000 of our teaching staff came together for a day of collaborative workshops, subject-specialist training and external speakers. Simultaneously, regional conferences were held for our business and support staff. This is part of our effort to maximise the benefits our staff receive from working with a group of schools and academies. In the same way, over the course of the year we ran eight highly successful Excellence Visits at which colleagues from across the group visited a school leading the way in either a subject or area specialism so that we are able to share both best practice and learning.

Having been awarded Teaching School Status in 2013, Guildford High School has led the establishment of our Teaching School Alliance, which includes every school in the group. The Teaching School Alliance plays a central part in defining and providing the programmes to be offered through the United Learning Institute.

During the year we made great advances with our programme of initial teacher training. This is led within the Alliance by Paddington Academy and William Hulme's Grammar School and accredited by the Institute of Education and Manchester University respectively. The scheme trained over 40 new teachers during 2013/14, offering salaried and non-salaried routes. The initial year's training begins with a summer school and each participant is guaranteed teaching experience in two of our schools in very different contexts. Over 100 new trainees were recruited for 2014/15.

During the year, we also made a number of changes to pay structures. Our pay awards over two years have been 'bottom loaded', in order to increase the pay of our lower paid staff more rapidly. We aim to make further moves

Directors' Report (continued)

For the year ended 31 August 2014

to raise the pay of our lowest paid staff in future years. Meanwhile, we have made changes to our teacher pay scales so that they earn at least 5% more than they would in the maintained sector at the start of their careers and continue to earn more highly over the course of their career.

An Enabling Centre

The aim of our central office functions is to create a context for schools which allows them to focus successfully on education, confident in the key services they rely upon. We have restructured our central functions to create a 'team around the school' of business partners in finance, IT and HR, which is now providing personalised support to heads and schools.

Our estates department has continued to support significant new work across the academies.

We have appointed a national specialist in health and safety to support our schools and a national safeguarding lead.

Alongside a new company secretary, they will provide deep support and ensure compliance across the organisation. We continue to take the view that growth is of value only in so far as we have capacity to do an outstanding job of supporting schools to improve. Over time, as this is the case, we will continue to grow clusters which allow our schools to support one another.

During this year, we have been particularly pleased to see the opening of our first free school – Wye School near Ashford - which has received support from Ashford School for its opening. We have also worked carefully over time with new-joining primary schools to ensure that over the period before they join us, they receive educational and practical support in order to ensure a rapid improvement trajectory.

Over the course of the year, the following academies and free schools joined the Group:

- Glenmoor and Winton
- John Smeaton Academy
- Nova Hreod Academy
- Seahaven Academy
- Wye School

Over the course of the year, the following primary academies joined the Group:

- Abbey Hey Primary Academy
- Cravenwood Primary Academy
- Silverdale Primary Academy
- The Victory Primary School
- Wilberforce Primary

Financially successful

The charitable company's aim is to achieve the core Financially Successful objective through:

- effective financial management
- creating an efficient, value for money organisation
- a clear focus on maximising income generation
- efficient and effective use of all resources to continuously improve the educational outcomes for its pupils with the resources available.

Culture, Ethos and Values

A key aspect of a strong organisation is its ability to research, innovate and share best practice both internally and across the sector.

Directors' Report (continued)

For the year ended 31 August 2014

Over the past year, our schools have taken part in both internal and external pieces of research with organisations including the NFER, Challenge Partners and others in order to help to develop best practice and share key data from our schools with worthwhile partners.

Other key projects we have launched this year include:

The United Learning Partnership Fund: Launched in July 2014 through a £5m donation from philanthropist Alan Howard, the Fund is a unique collaboration between United Learning's independent schools and academies and other independent schools including St Paul's School for Boys, Marlborough, RGS Guildford and Manchester Grammar School.

The donation is the largest ever in the UK for collaborative work between the two arms of the education sector and, over the next five years, will be used to deliver professional development for teachers across the sector and exceptional shared experiences for pupils. During its first year, the Fund will:

- Launch teacher development programmes in two key subjects;
- Begin a programme of vivid shared cultural and sporting experiences for students;
- Support clusters of schools to improve access to top universities;
- Deliver residential events for the most able students to support their university preparation.

United Learning Blue Books: This year we produced three United Learning Blue Books as a means of sharing best practice, encouraging debate and providing guidance, tactics and support. All three have been well received internally and across the education sector. These were:

- The A-Z of School Improvement through PE and Sport: Principles and Practice; by Shaun Dowling and Professor David Woods;
- What Makes a Great Middle Leader; by Andy Buck, Oli Tomlinson and James Toope;
- Paddington Practice – 10 Case Studies; by Professor David Woods and the staff of Paddington Academy.

Having established a clear set of values that chime with each school in the Group and with our mission as an organisation, we have begun to take forward a series of initiatives to promote these and the sense of belonging that each employee feels about the Group.

Over the next 12 months, we will substantially build on these initiatives and repeat our all-staff survey to continue to promote our culture, values and ethos and ensure that, as an organisation, an employer and an educator, we are meeting the needs of all those to whom we have a responsibility.

Going concern

After making appropriate enquiries, the board of directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Directors' Report (continued)

For the year ended 31 August 2014

Key financial performance indicators

The charitable company operates using a number of key performance indicators, some financial, others related to the educational outcome for the pupils. The main KPIs are as follows:

1. All schools to meet the Government's minimum academic expectations
2. Every school to progress one Ofsted category at each inspection
3. 90% expected level of progress at Key Stage 1 - Key Stage 2 on each of reading, writing and mathematics
4. Overall salary costs to be 74% or less of total income

The charitable company's schools educational results are set out on page 6 and 7.

Financial review

Review of activities

During the year most of the charitable company's income was obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of grants for fixed asset expenditure and for the ongoing running expenses. Donations for fixed assets from all sponsors were received from United Church Schools Trust. The grants and donations have been given to the charitable company to provide fixed assets and have been fully expended as required.

In accordance with the Charities SORP Accounting and Reporting by Charities, relevant grants and donations are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund will be reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

Funds and reserves

Unrestricted funds were mainly derived from investment income, other donations and from gift aid payments from trading subsidiaries, ULT Projects Limited and ULT Trading Limited. The surplus for the year on unrestricted funds (before transfers between funds) was £4.365m (2013 - £4.152m).

The restricted general funds (before transfers from funds and before revaluations of pension schemes) show a deficit of £6.006m (2013: £0.491m) from the DfE for start up grants for the academies for the running costs of the academies in the future. The restricted fixed asset fund shows a surplus of £39.173m (2013 - £46.249m).

At 31 August 2014 the net book value of tangible fixed assets was £409m (2013 - £369m) and movements in tangible fixed assets are shown in Note 17 to the financial statements.

The charitable company held fund balances of £415m (2013 - £382m) comprising £411m (2013 - £369m) of restricted funds for the specific use of building new academies or refurbishments authorised by the DfE, £3.5m (2013 - £4.6m) of other restricted DfE funds, £21m (2013 - £19m) of unrestricted funds and a pension deficit of £20.877m (2013 - £10.649m).

The fund balances are adequate to fulfil the obligations of the charitable company. To achieve the development plan objectives and for other major capital projects the charitable company remains dependent on the provision of additional fixed asset grants from both the DfE and any sponsors. The restricted funds can only be used for the specific purpose for which they have been given to the charitable company.

Directors' Report (continued)

For the year ended 31 August 2014

The pension deficit recorded in the Statement of Financial Activities is as a result of the application of FRS17 to the contributions made by the charitable company to the Local Government Pension Schemes. Under FRS17 the charitable company is required to account for retirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS17 is seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the pension fund. It requires the charitable company to recognise the total value of all pension obligations that have accumulated (including deferred pensions) at 31 August each year.

This value is made up of:

- the total cost of the pensions that are being paid out to former employees who have retired, and
- the total sum of the pension entitlements earned to date for our current employees - even though it may be many years before the people concerned actually retire and begin drawing their pension.

The standard also requires the charitable company to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the year-end. In reality, the value of such investments fluctuates in value on a day-to-day basis but this is ignored for the purpose of the accounting standard.

The difference between the asset and liability valuations results in either a deficit or a surplus being recorded in the SOFA and balance sheet.

A better reflection of a pension fund's actual position comes from the more detailed assessment made by an actuary. This assesses and examines the ongoing financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS17 valuation. It is the actuarial valuation that is used to review contribution rates to the Fund from ULT, to ensure that existing assets and future contributions will be sufficient to meet future pension payments spreading any surplus or deficit over a number of years.

Financial and risk management objectives and policies

The charitable company uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to make effective use of the charitable company's resources to fund operations.

All transactions in derivatives are undertaken to manage the risks arising from underlying charitable activities and no transactions of a speculative nature are undertaken.

The main risks arising from the charitable company's financial instruments are liquidity risk.

Liquidity risk

Financial risk management is managed by the Central Office Finance Department who act as the charitable company's treasury function ensuring that surplus funds are deposited so as to maximise interest receivable.

The charitable group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The charitable company finances its operations through retained surpluses. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Salary costs

A large proportion of the charitable company's costs relate to staff costs which are relatively fixed each year. There

Directors' Report (continued)

For the year ended 31 August 2014

is a risk that a significant drop in grant income may lead to an inability to cover such costs at one or more of the academies.

Senior management and the Directors aim to keep abreast of proposed changes to funding streams and these are taken into account when preparing medium term financial forecasts for each academy.

Reserves policy

The Directors have reviewed the reserves of the charitable company. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that, at the current time, with the uncertainty over schools funding levels it is prudent to carry a larger level of reserves than in previous years. The Directors therefore believe that the balance of unrestricted reserves of £20.849m (2013 - £19.054m) is adequate. Tangible fixed assets are all held for use by all existing academies. The purpose of the restricted funds is set out in Note 21.

Material investments policy

The charitable company's investment powers are governed by the Memorandum of Association, which permits the charitable company's funds to be held in or upon any investments, securities or property as may be thought fit subject to such consents and conditions as may be required by law.

The policy has been to invest temporary surplus amounts with the Charity Official Investment Fund or bank deposit accounts. The charitable company has appointed Brewin Dolphin to manage medium to long term investments.

Except for the trading subsidiaries, ULT Projects Limited, ULT Trading Limited and Regis Community Arena Limited, there are no long term investments held by the charitable company.

Plans for future periods

Future developments

On 1 September 2014, the charitable company welcomed into the Group Goresbrook School, Richard Rose Central Academy and Richard Rose Morton Academy. The charitable company also disposed of its interest in Kings Park Academy on the same date.

In the next 12 months the charitable company aims to welcome into the Group further academies in London and Sheffield.

The charitable company will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher or further education once they leave.

In early 2012, the decision was taken by the charitable company that the Emmanuel Schools Foundation (ESF) group of academies would not be absorbed within the Trust, due to significant differences in ethos between ESF and United Learning. Since then, the three academies and the city technical college within the ESF group have remained entirely operationally independent, supported by ESF services from Durham. Since 2012, ESF has been working with the Department for Education to establish itself as a multi-academy trust. The charitable company remained the sole member of ESF at that time on what was expected to be a short-term basis, in anticipation of a speedy resolution of this issue, which however was still not fully settled at the end of the financial year.

Directors' Report (continued)

For the year ended 31 August 2014

Environmental policy

The charitable company believes that protection of the environment is an integral part of good educational practice. The charitable company is fully committed to its responsibility for minimising the environmental impacts of its operations, and will continuously aim to improve its environmental performance through the future implementation of its Environmental Management System (EMS).

The charitable company seeks to engage all members of the school community to develop a sustainable approach to their work and activities so as to help it achieve its aims. The charitable company's commitment includes the environmentally prudent management of its buildings and operations, collaboration with suppliers to improve its indirect environmental impacts, and environmental programmes and education for its employees and pupils.

The charitable company recognises that good environmental management must be an integral and fundamental part of its corporate business strategy.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The charitable company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The charitable company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers policy
- Health & safety policy

The charitable company has in place a National Recognition Agreement with the main teaching and support unions. Regular joint meetings of the Joint Negotiating Committee (JNC) are held with this group where matters of mutual interest are discussed and agreed upon.

The union members of the JNC report back to their members through locally appointed representatives. In addition, local meetings are held in the academies where the Principal meets with the local representative to discuss and agree any local issues. Each academy also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

In accordance with the charitable company's Equal opportunities policy, the charitable company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charitable company's offices.

Directors' Report (continued)

For the year ended 31 August 2014

Disclosure of information to auditor

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

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

Auditor

The auditor, Grant Thornton UK LLP, has indicated its willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditor at a meeting of the Directors.

This report, incorporating the Strategic report, was approved by order of the board of directors, as the company directors, on 10 December 2014 and signed on the board's behalf by:



Mr N Robson
Chair of Directors

Governance Statement

Scope of Responsibility

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

The board of directors has delegated the day-to-day responsibility to Mr Jon Coles, 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 United Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. During the year the board of trustees implemented a number of changes following a review of its effectiveness and its composition carried out towards the end of the prior year. Following the review a new Group Board committee was established comprising trustees from United Learning Trust and United Church Schools Trust. All members of the board of trustees sit on the Group Board which has delegated powers to make decisions across a range of United Learning Trust operations. The board of trustees continues to make independent decisions including in the event of any conflict or divergence of view between United Learning Trust and United Church Schools Trust. In addition, new trustees were recruited to bring additional skills and expertise. Direct links to Local Governing Bodies were supported by the introduction of designated trustees for primary and secondary academies and by Education Boards. The Education Boards meet three times in the academic year and provide advice on strategy and education further enhancing communications between Local Governing Bodies and the trustees. The board of trustees continues to review its effectiveness and a further internal review is scheduled in December 2014. The board of directors and the Group Board met for a total of 10 meetings during the year. Attendance during the year at the meetings of directors was as follows:

Director	ULT meetings attended	Out of a possible	Group board meetings attended	Out of a possible
Mr A Bailey KCSS	0	1	0	0
Dr P Chadwick	1	1	0	0
Mr H A Cann	1	1	0	0
Mr G Davies	1	1	0	0
Mr M George	1	1	0	0
Dr R Glew	1	1	0	0
Dr J Golob	0	1	0	0
Mr E Gould, Chairman	3	3	5	6
Sir A Greener	3	3	6	6
Mr D Robinson	3	4	3	6
Mr N Robson	4	4	5	6
Mr J Wooding	2	3	4	6
Mrs A Crowe	4	4	6	6
Dame Y Bevan	2	3	6	6
Air Chief Marshal Sir M Graydon GCB, CBE, ADC, FRACS, Deputy chairman	3	3	6	6
Mr J Coles	3	3	6	6
Professor D Nutbeam	0	0	1	2

Governance Statement (continued)

The Finance Committee is a sub-committee of the main board of directors. Its purpose is to:

- ensure that the charitable company properly plans the use of its finances and is adequately funded to undertake projected expenditure
- reviews and recommends the annual budgets for approval by the board
- monitors financial performance against agreed budgets
- ensure, with the Risk and Audit Committee, that the charitable company's financial statements are supported accurately by management accounts
- monitor and review the charitable company's arrangements in relation to investments and make recommendations to the board in relation to the appointment and removal of investment advisors

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of possible
Sir A Greener	3	3
Dr S Critchley	3	3
Mrs A Crowe	3	3
Mr M George	3	3
Sir M Graydon	3	3
Mr E Gould, Chairman	2	3
Mr J Irwin	3	3
Mr M Litchfield	2	3

The Risk and Audit Committee advises the main board of directors. Its purpose is to:

- create and ensure implementation of a risk management framework for the Group and to oversee disaster recovery
- ensure the charitable company's annual financial statements are supported accurately by management accounts and other financial reports presented to them by all schools and academies
- ensure effective audit functions are in place (both external and internal)
- ensure adequate risk management processes are in place
- ensure an adequate internal control environment is established

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Professor C Coulson-Thomas	4	4
Mrs K Bowles	4	4
Dr S Critchley	4	4
Mr R Glew	1	4
Mr D D'Arcy Hughes	3	4

A Group Nominations and Salaries Committee is in place whose purpose is to oversee the appointments of the Group Chairman, Directors and Senior Executives and to decide senior salaries and remuneration in line with the Group Board policy guidelines.

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 United Learning Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of directors 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 directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 directors;
- regular reviews by the Finance 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;
- identification and management of risks.

In June 2014 the board of directors considered the need for a specific internal audit function and appointed an Internal Auditor with a direct reporting line to the chair of the Risk and Audit Committee. Prior to the appointment Messrs Bulley Davey acted as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a timely basis, the internal auditor reports to the board of directors and the Risk and Audit Committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the appointee reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Mr Jon Coles has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

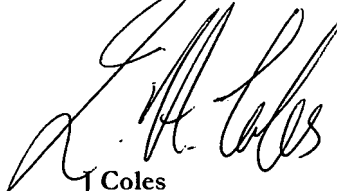
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 10 December 2014 and signed on its behalf, by:



N Robson
Chair of Directors



J Coles
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of United Learning Trust I have considered my responsibility to notify the Academy Trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

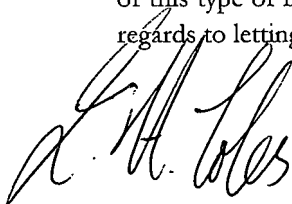
I confirm that I and the Academy Trust board of directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2013).

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of directors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of directors and EFA:

- In the prior year, the Trust identified a potential fraud at Walthamstow academy. This related to letting income not being passed to the school by a member of staff who left the Trust in August 2013 prior to this investigation. This matter was fully investigated by the Trust, and the EFA and the police were fully informed and consulted with. This matter was not reported in the prior year as the investigation was ongoing until after the financial statements to 31 August 2013 were signed.

The matter was concluded in the year and the amount of £18,000 was identified as missing. A repayment schedule has been agreed with the alleged perpetrator who, up to the end of November 2014, has repaid £8,600 and is continuing to repay the agreed monthly £500 instalments. The police made clear that the trust could either prosecute or agree a repayment schedule with the perpetrator (with the option of prosecuting in the event of default on this schedule). It was decided on this occasion that the preferable option was repayment, if the full amount could be secured within a reasonable timescale.

Subsequent to this issue being identified, additional controls have been implemented to prevent a recurrence of this type of incident, including the policy that cash will no longer be accepted by the school directly with regards to lettings.



Mr J Coles
Accounting Officer

Date: 10/12/14

Directors' Responsibilities Statement

For the year ended 31 August 2014

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

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

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

The Directors 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 directors on 10/12/14 and signed on its behalf by:



Mr N Robson
Chair of Directors



Independent Auditor's Report to the Members of United Learning Trust

We have audited the financial statements of United Learning Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 opinion we have formed.

Respective responsibilities of Directors and auditor

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.



Independent Auditor's Report to the Members of United Learning Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor
Chartered Accountants
Northampton

Date:

18 December 2014

Independent Reporting Accountant's Assurance Report on Regularity to United Learning Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 8 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by United Learning Trust during the period 1 September 2013 to 31 August 2014 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 United Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to United Learning Trust and the EFA those matters we are required to state to them 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 United Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of United Learning Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible under the requirements of the individual funding agreements between United Learning Trust and the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

Independent Reporting Accountant's Assurance Report on Regularity to United Learning Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As outlined in the Statement on Regularity, Propriety and Compliance on page 19, the Accounting Officer has summarised the circumstances relating to a fraud perpetrated against Walthamstow Academy during the current and prior financial years. This was pursued through legal channels and the academy is in the process of recovering the funds. As the total fraud was greater than £5,000 this is a breach of regularity according to paragraph 3.9.2 of the Academies Financial Handbook 2013 and must be notified to the EFA. We note that management have implemented additional controls and procedures to minimise the risk of a recurrence of this type of incident.



Grant Thornton UK LLP

Reporting Accountant
Chartered Accountants
Statutory Auditor
Northampton

Date: 18 December 2014

Statement of Financial Activities

(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)

For the year ended 31 August 2014

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
	Note					
Incoming resources						
Incoming resources from generated funds:						
Voluntary income - general	3	14	-	-	14	813
Activities for generating funds	4	6,171	-	-	6,171	3,764
Investment income	5	220	2	-	222	536
Incoming resources from charitable activities	6	220	171,708	4,077	176,005	138,961
Other incoming resources	7	603	(3,326)	49,411	46,688	57,069
Total incoming resources		7,228	168,384	53,488	229,100	201,143
Continuing operations		6,108	144,179	4,026	154,313	137,281
Acquired operations		1,069	22,752	49,411	73,232	63,862
Discontinued operations		51	1,453	51	1,555	-
Resources expended						
Charitable activities		2,863	174,356	14,315	191,534	151,197
Governance costs	10	-	34	-	34	36
Total resources expended	11	2,863	174,390	14,315	191,568	151,233
Net incoming / (outgoing) resources before transfers		4,365	(6,006)	39,173	37,532	49,910

Statement of Financial Activities (continued)

For the year ended 31 August 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Transfers between Funds	21	(3,275)	-	3,275	-	-
Net incoming resources before investment asset disposals		1,090	(6,006)	42,448	37,532	49,910
Continuing operations		(87)	(3,867)	(4,908)	(8,862)	(6,858)
Acquired operations		1,180	(2,128)	47,412	46,464	56,768
Discontinued operations		(3)	(11)	(56)	(70)	-
Gains on disposals of investment assets		277	-	-	277	482
Net incoming resources before revaluations		1,367	(6,006)	42,448	37,809	50,392
Gains on revaluations of investment assets		428	-	-	428	-
Actuarial gains and (losses) on defined benefit pension schemes		-	(5,312)	-	(5,312)	2,520
Net movement in funds for the year		1,795	(11,318)	42,448	32,925	52,912
Total funds at 1 September 2013		19,054	(6,010)	368,698	381,742	328,830
Total funds at 31 August 2014		20,849	(17,328)	411,146	414,667	381,742

The notes on pages 29 to 57 form part of these financial statements.

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

United Learning Trust**Registered number: 04439859****Balance Sheet****As at 31 August 2014**

	Note	£000	2014 £000	2013 £000
Fixed assets				
Tangible assets	17		408,845	368,698
Investments	18		7,082	6,018
			<u>415,927</u>	<u>374,716</u>
Current assets				
Debtors	19	12,032		8,425
Cash at bank and in hand		21,940		19,442
		<u>33,972</u>		<u>27,867</u>
Creditors: amounts falling due within one year	20	(14,355)		(10,192)
Net current assets			<u>19,617</u>	<u>17,675</u>
Total assets less current liabilities			<u>435,544</u>	<u>392,391</u>
Defined benefit pension scheme liability	27		(20,877)	(10,649)
Net assets including pension scheme liability			<u><u>414,667</u></u>	<u><u>381,742</u></u>
Funds of the Academy Trust				
Restricted funds:				
Restricted funds	21	3,549		4,639
Restricted fixed asset funds	21	411,146		368,698
		<u>414,695</u>		<u>373,337</u>
Restricted funds excluding pension liability				
Pension reserve	21	(20,877)		(10,649)
		<u></u>		<u></u>
Total restricted funds			<u>393,818</u>	<u>362,688</u>
Unrestricted funds	21		<u>20,849</u>	<u>19,054</u>
Total funds			<u><u>414,667</u></u>	<u><u>381,742</u></u>

The financial statements were approved by the Directors, and authorised for issue, on **10 DECEMBER 2014** and are signed on their behalf, by:

Mr N Robson
Chair of Directors



The notes on pages 29 to 57 form part of these financial statements.

Cash Flow Statement

For the year ended 31 August 2014

	Note	2014 £000	2013 £000
Net cash flow from operating activities	23	3,661	7,025
Returns on investments and servicing of finance	24	220	536
Capital expenditure and financial investment	24	(1,383)	(8,008)
(Acquisitions) and disposals	24	-	(3,344)
Increase/(decrease) in cash in the year		2,498	(3,791)

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2014

		2014 £000	2013 £000
Increase/(decrease) in cash in the year		2,498	(3,791)
Movement in net funds in the year		2,498	(3,791)
Net funds at 1 September 2013	24	19,442	23,233
Net funds at 31 August 2014	24	21,940	19,442

The notes on pages 29 to 57 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 Directors.

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

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

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

1.3 Basis of consolidation

Consolidated accounts are not prepared as the charitable company is a member of the United Church Schools Foundation Limited Group, incorporated in England and Wales, for which consolidated accounts are prepared and are publicly available. The financial statements therefore reflect the results of the charitable company as an individual entity.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

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.

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

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

1.5 Resources expended

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

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

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements representing audit costs.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Directors 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 charitable company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Directors confirm that based on their assessment the charitable company is a going concern.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Where academies are operating under a licence to occupy, the fixed asset is not recognised in the financial statements until a formal lease is signed.

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.

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

Freehold property	- 50 years
Motor vehicles	- 4 years
Office equipment	- 10 years
Computer equipment	- 3 years

1.8 Investments

Fixed asset investments are carried at market value with any realised and unrealised gains or losses taken to the Statement of Financial Activities, except for the shares in subsidiary undertakings which are valued at cost because there is no readily available market value and the cost of valuation exceeds the benefit derived.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.9 Operating leases

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

During the year the trust acquired two newly converted academies with buildings under Private Finance Initiative (PFI) contracts.

The Transfer Agreement does not transfer the ownership of the new school built by the Contractor (the PFI asset) until the end of the Project Agreements. Whilst the PFI agreement remains between the Local Authority and the Contractor, the charitable company makes an Academy Contribution to the unitary charge via the Schools Agreement to cover the services element of the charge.

The directors have considered the risks and rewards associated with the agreements and consider that these represent operating lease arrangements, as risks and rewards associated with the PFI buildings are not transferred to the trust until the end of the contract. Accordingly, the Academy Contributions are recognised as operating charges in the Statement of Financial Activities on a straight line basis over the life of the contract.

At the end of the PFI contract, the risks and rewards will transfer to the academy trust at which point the buildings will be capitalised on the academy's balance sheet.

1.10 Taxation

The charitable company 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 charitable company 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.

1.11 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the charitable company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

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

1.12 Conversion to academy trust

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from each school to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the charitable company. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the charitable company were subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2014.

3. Voluntary income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Donations	14	-	14	813

Notes to the Financial Statements

For the year ended 31 August 2014

4. Activities for generating funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
ULT Trading Limited - gift aid	1,289	-	1,289	1,107
Activities for generating funds	4,882	-	4,882	2,657
	<u>6,171</u>	<u>-</u>	<u>6,171</u>	<u>3,764</u>

All activities for fundraising and associated costs are borne by the charitable company's parent, United Church Schools Trust.

5. Investment income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Investment income received	160	-	160	-
Bank interest receivable	60	-	60	536
Net pension income	-	2	2	-
	<u>220</u>	<u>2</u>	<u>222</u>	<u>536</u>

6. Incoming resources from charitable activities

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Funding for the Academy Trust's educational operations	220	175,785	176,005	138,961
	<u>220</u>	<u>175,785</u>	<u>176,005</u>	<u>138,961</u>

Notes to the Financial Statements

For the year ended 31 August 2014

Funding for the Academy Trust's educational operations

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	152,953	152,953	125,666
Start Up Grants	-	1,016	1,016	745
Other DfE/EFA Grants	-	50	50	765
Pupil premium	-	11,734	11,734	6,836
Capital grants	-	3,287	3,287	399
	-	169,040	169,040	134,411
Other government grants				
Local Authority Grants	220	6,745	6,965	4,550
	220	6,745	6,965	4,550
	220	175,785	176,005	138,961

7. Voluntary income - transfers from local authority on conversion

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Pension deficit transferred on conversion	-	(3,326)	(3,326)	(2,488)
Buildings transferred from Local Authority on conversion	603	49,411	50,014	59,557
	603	46,085	46,688	57,069

Notes to the Financial Statements

For the year ended 31 August 2014

8. Academies acquired or disposed in the year

The Trust acquired 11 further academies during the year ended 31 August 2014. The incoming resources and net movement in funds for these academies is shown below. Further details of acquisitions are given in Note 26.

On 1 September 2014, the Trust disposed of one academy, Kings Park Academy. The incoming resources and net movement in funds for the academy is shown below.

	Discontinued 2014 £000	Acquired 2014 £000
Incoming resources from charitable activities	1,503	27,069
Voluntary income	52	-
Voluntary income - transfers from local authority on conversion	-	46,085
Resources expended - charitable activities	(1,625)	(25,871)
Net movement in funds for the year	(70)	47,283

9. Expenditure by charitable activity

Summary by fund type

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Direct costs	2,863	156,979	159,842	123,827
Support costs	-	31,692	31,692	27,370
	<u>2,863</u>	<u>188,671</u>	<u>191,534</u>	<u>151,197</u>

Charitable activities

	Unrestricted funds £000	Restricted funds £000	2014 £000	2013 £000
Direct costs				
Teaching and educational support costs	2,109	122,533	124,642	98,279
Educational supplies	-	17,962	17,962	12,906
Examination costs	-	3,243	3,243	2,150
Staff development	-	1,436	1,436	1,085
Pension costs	-	-	-	124
Other direct costs	754	11,805	12,559	9,283
Total	<u>2,863</u>	<u>156,979</u>	<u>159,842</u>	<u>123,827</u>

Notes to the Financial Statements

For the year ended 31 August 2014

	Unrestricted funds £000	Restricted funds £000	2014 £000	2013 £000
Support costs				
Recruitment and support	-	241	241	252
Catering	-	3,682	3,682	3,351
Maintenance and services	-	4,877	4,877	2,509
Cleaning	-	1,595	1,595	1,334
Rent and rates	-	1,307	1,307	1,025
Insurance	-	757	757	645
Legal and professional	-	869	869	1,183
Security and transport	-	882	882	771
Heat and light	-	3,091	3,091	2,949
Other support costs	-	76	76	43
Depreciation	-	14,315	14,315	13,308
Total	-	31,692	31,692	27,370

10. Governance costs

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Auditor's remuneration	-	34	34	36

11. Resources expended

	Staff costs 2014 £000	Premises 2014 £000	Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Direct costs	124,642	-	35,201	159,843	123,827
Support costs	-	12,509	19,183	31,692	27,370
Charitable activities	124,642	12,509	54,384	191,535	151,197
Governance	-	-	34	34	36
	124,642	12,509	54,418	191,569	151,233

Notes to the Financial Statements

For the year ended 31 August 2014

12. Net incoming / (outgoing) resources

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the charity	14,315	13,308
Operating lease rentals - plant and machinery	598	1,038
Governance Internal audit costs	19	21
	<u>14,932</u>	<u>14,367</u>

13. Auditor's remuneration

	2014 £000	2013 £000
Fees payable to the Academy Trust's auditor and its associates for the audit of the Academy Trust's annual accounts	41	40
Fees payable to the Academy Trust's auditor and its associates for additional EFA assurance related services		
Additional EFA audit requirements	19	21
	<u>60</u>	<u>61</u>

14. Staff

a. Staff costs

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	99,695	82,036
Social security costs	6,927	5,682
Other pension costs (Note 27)	18,020	10,561
	<u>124,642</u>	<u>98,279</u>
Supply teacher costs	2,182	2,149
Compensation payments	1,301	881
	<u>128,125</u>	<u>101,309</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £272,179 (2013: £124,621). The non-statutory/non-contractual payments that exceeded £5,000 individually are analysed below:

Notes to the Financial Statements

For the year ended 31 August 2014

14. Staff (continued)

Amount	Number of payments
£5,000 - £9,999	12
£10,000 - £14,999	2
£15,000 - £19,999	2
£20,000 - £24,999	1
£25,000 - £29,999	1
£30,000 - £34,999	1
£35,000 - £39,999	1
	20

c. Staff numbers

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

	2014 No.	2013 No.
Teachers	1,828	1,604
Administration and support	1,474	1,891
	<u>3,302</u>	<u>3,495</u>

d. Higher paid staff

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

	2014 No.	2013 No.
£60,001 - £70,000	55	46
£70,001 - £80,000	23	10
£80,001 - £90,000	8	3
£90,001 - £100,000	2	8
£100,001 - £110,000	8	4
£110,001 - £120,000	5	2
£120,001 - £130,000	-	1
£130,001 - £140,000	4	3
£150,001 - £160,000	1	1
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
Total	<u>107</u>	<u>79</u>

Notes to the Financial Statements

For the year ended 31 August 2014

During the year the following amounts were paid to higher paid employees as shown above:

	2014 £000	2013 £000
Pension contributions to Teachers Pension Scheme	1,074	674
Pension contributions to Local Government Pension Scheme	85	46
Pension contributions to Defined Contribution Pension Scheme	4	7

During the year 100 (2013 - 71) higher paid employees participated in the Teachers Pension Scheme, 6 employees (2013 - 6) participated in a local Government Pension Scheme and 1 (2013 - 2) participated in a defined contribution scheme.

Mr J Coles, a Director, is an employee of the Group and is remunerated in the parent company for his services to the Group. He received no remuneration directly from the charitable company.

Notes to the Financial Statements

For the year ended 31 August 2014

15. Central services

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

- Strategy
- Education support
- Estates
- Training
- Human resources
- ICT
- Public relations
- Communications and marketing
- Data collection and analysis
- Finance
- Accountancy
- Treasury
- Payroll
- Purchase ledger
- Credit control

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

- at cost incurred
- on a per pupil basis.

The actual amounts charged during the year were as follows:

	2014 £000
Abbey Hey Primary Academy	46
Accrington Academy	286
Barnsley Academy	241
Beacon View Primary Academy	66
Carter Community School	99
Corngreaves Academy	35
Cravenwood Primary Academy	32
Glenmoor School	170
Grange Primary Academy	34
Hanwell Fields Community School	64
John Smeaton Academy	157
Kettering Buccleuch Academy	332
King's Park Academy	24
Lambeth Academy	296
Manchester Academy	241
Midurst Rother College	214
North Oxfordshire Academy	269
Northampton Academy	365
Nova Hreod Academy	160
Paddington Academy	300
Salford City Academy	155
Seahaven Academy	55

Notes to the Financial Statements

For the year ended 31 August 2014

Sheffield Park Academy	231
Sheffield Springs Academy	265
Shoreham Academy	387
Silverdale Primary Academy	21
Southway Primary School	108
Stockport Academy	181
Swindon Academy	456
The Regis School	345
The Victory Primary School	104
Timbertree Academy	28
Walthamstow Academy	275
Wilberforce Primary	80
William Hulme's Grammar School	273
Winton College	161
Wye School	22
Total	<hr/> 6,578

16. Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £6,017 (2013 (restated) - £4,846). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements

For the year ended 31 August 2014

17. Tangible fixed assets

	Freehold property £000	Motor vehicles £000	Office equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2013	391,024	108	18,948	35,337	445,417
Additions	2,224	6	870	1,951	5,051
Transfers from local authority on conversion	49,411	-	-	-	49,411
At 31 August 2014	442,659	114	19,818	37,288	499,879
Depreciation					
At 1 September 2013	36,920	87	9,192	30,520	76,719
Charge for the year	8,956	20	1,972	3,367	14,315
At 31 August 2014	45,876	107	11,164	33,887	91,034
Net book value					
At 31 August 2014	396,783	7	8,654	3,401	408,845
At 31 August 2013	354,104	21	9,756	4,817	368,698

18. Fixed asset investments

	Trade investments £000
Market value	
At 1 September 2013	6,018
Additions	1,815
Disposals	(1,456)
Revaluations	705
	<hr/>
At 31 August 2014	7,082
	<hr/> <hr/>
Investments at market value comprise:	
	2014 £000
	2013 £000
Stock market investments	7,082
	6,018

All the fixed asset investments are held in the UK.

Notes to the Financial Statements

For the year ended 31 August 2014

18. Fixed asset investments (continued)

The charitable company owns 100% of the issued ordinary shares of ULT Projects Limited, a company incorporated in England, at a cost of £100. The principal activity of ULT Projects Limited is the design and building of the academy buildings. The charitable company also owns 100% of the issued ordinary shares of ULT Trading Limited, a company incorporated in England, at a cost of £100. The principal business activity of ULT Trading Limited is the management of lettings and uniform sales.

The charitable company also owns 100% of Regis Community Arena Limited (RCAL), a company limited by guarantee. The principal activity of RCAL is the provision of sports facilities and nursery care for children. The charitable company also owns 100% of the Emmanuel Schools Foundation, a charitable company incorporated in England. The principal activity of the Emmanuel Schools Foundation is the operation of a group of schools comprising 3 academies and a city technical college, which provide education for pupils of different abilities between the ages of 3 and 18.

These investments are shown in the Balance Sheet and Consolidated accounts are not prepared as the charitable company is a member of the United Church Schools Foundation Limited Group, incorporated in England and Wales, for which consolidated accounts are prepared and are publicly available. These financial statements therefore reflect the results of the charitable company as an individual entity.

For the year ended 31 August 2014 ULT Projects Limited had negative capital and reserves of £12,216 (2013 - £11,176) and a deficit of £1,040 (2013 - deficit of £4,392), ULT Trading Company Limited had an aggregate capital reserve of £100 (2013 - £100) and a deficit of £nil (2013 - £nil). For the year ended 31 August 2014 RCAL had aggregate capital and reserves of £44,623 (2013 - £1,283) and a net surplus of £43,340 (2013 - £1,283). The Emmanuel Schools Foundation had net assets of £76,813,000 (2013 - £79,395,000) and a deficit in the year of £2,230,000 (2013 - deficit of £1,386,000).

19. Debtors

	2014	2013
	£000	£000
Trade debtors	884	657
Amounts owed by group undertakings	140	1,465
Other debtors	9,594	3,969
Prepayments and accrued income	1,414	2,334
	<u>12,032</u>	<u>8,425</u>

Notes to the Financial Statements

For the year ended 31 August 2014

20. Creditors:

Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	5,587	3,518
Other taxation and social security	2,507	1,987
Other creditors	3,145	2,991
Accruals and deferred income	3,116	1,696
	<u>14,355</u>	<u>10,192</u>

Deferred income

	£000
Deferred income at 1 September 2013	421
Resources deferred during the year	915
Amounts released from previous years	<u>(421)</u>
Deferred income at 31 August 2014	<u>915</u>

Deferred income relates to funding received in the year specifically relating to the following financial year, including nursery funding and sports partnership funding.

Notes to the Financial Statements

For the year ended 31 August 2014

21. Statement of funds

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/out £000	Gains/(losses) £000	Carried forward £000
Unrestricted funds						
General funds	19,054	7,228	(2,863)	(3,275)	705	20,849
Restricted funds						
General Annual Grant	4,639	152,953	(154,043)	-	-	3,549
General Annual Grant	-	1,016	(1,016)	-	-	-
Other DfE/EFA Grants	-	50	(50)	-	-	-
Pupil Premium	-	11,734	(11,734)	-	-	-
Local Authority Grants	-	5,957	(5,957)	-	-	-
Pension reserve	(10,649)	(3,326)	(1,590)	-	(5,312)	(20,877)
	(6,010)	168,384	(174,390)	-	(5,312)	(17,328)
Restricted fixed asset funds						
DfE/EFA capital grants	368,698	53,488	(14,315)	3,275	-	411,146
Total restricted funds	362,688	221,872	(188,705)	3,275	(5,312)	393,818
Total of funds	381,742	229,100	(191,568)	-	(4,607)	414,667

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

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

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

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

Under the funding agreement with the Secretary of State, some of the academies in the Academy Trust were subject to a limit on the amount of GAG that they could carry forward at 31 August 2014. Note 2 discloses whether the limits were exceeded.

Notes to the Financial Statements

For the year ended 31 August 2014

21. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
Abbey Hey Primary Academy	3
Accrington Academy	781
Barnsley Academy	693
Beacon View Primary Academy	222
Carter Community School	107
Corngreaves Academy	161
Cravenwood Primary Academy	316
Glenmoor School	827
Grange Primary Academy	225
Hanwell Fields Community School	387
John Smeaton Academy	(244)
Kettering Buccleuch Academy	972
King's Park Academy	142
Lambeth Academy	1,588
Manchester Academy	1,383
Midhurst Rother College	4
North Oxfordshire Academy	1,276
Northampton Academy	1,020
Nova Hreod Academy	95
Paddington Academy	24
Salford City Academy	951
Seahaven Academy	151
Sheffield Park Academy	1,483
Sheffield Springs Academy	188
Shoreham Academy	2,742
Silverdale Primary Academy	43
Southway Primary School	193
Stockport Academy	827
Swindon Academy	4,566
The Regis School	221
The Victory Primary School	231
Timbertree Academy	64
Walthamstow Academy	1,111
Wilberforce Primary	84
William Hulme's Grammar School	556
Winton College	(421)
Wye School	71
Head Office	1,355
Total before fixed asset fund and pension reserve	24,398
Restricted fixed asset fund	411,146
Pension reserve	(20,877)
Total	414,667

Notes to the Financial Statements

For the year ended 31 August 2014

21. Statement of funds (continued)**Analysis of academies by cost**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Abbey Hey Primary Academy	1,033	130	227	460	1,850
Accrington Academy	4,035	1,161	644	1,605	7,445
Barnsley Academy	3,590	714	579	1,214	6,097
Beacon View Primary Academy	1,046	313	167	252	1,778
Carter Community School	1,742	460	256	763	3,221
Corngreaves Academy	865	97	106	287	1,355
Cravenwood Primary Academy	555	44	163	196	958
Glenmoor School	1,805	296	227	500	2,828
Grange Primary Academy	630	164	92	219	1,105
Hanwell Fields Community School	1,186	227	130	299	1,842
John Smeaton Academy	2,183	456	619	1,548	4,806
Kettering Buccleuch Academy	4,155	1,052	682	1,692	7,581
King's Park Academy	934	137	169	277	1,517
Lambeth Academy	5,092	1,091	538	1,515	8,236
Manchester Academy	4,275	1,044	679	1,317	7,315
Midhurst Rother College	3,015	821	495	919	5,250
North Oxfordshire Academy	3,693	975	533	1,272	6,473
Northampton Academy	5,006	1,093	772	1,692	8,563
Nova Hreod Academy	1,930	691	296	886	3,803
Paddington Academy	6,364	1,791	794	1,948	10,897
Salford City Academy	2,936	728	313	922	4,899
Seahaven Academy	872	235	84	276	1,467
Sheffield Park Academy	3,383	643	512	1,479	6,017
Sheffield Springs Academy	4,337	900	696	1,090	7,023
Shoreham Academy	5,058	1,330	457	1,450	8,295
Silverdale Primary Academy	319	70	81	94	564
Southway Primary School	1,642	273	211	423	2,549
Stockport Academy	2,781	565	427	975	4,748
Swindon Academy	5,391	797	2,366	1,846	10,400
The Regis School	4,681	1,185	596	1,423	7,885
The Victory Primary School	1,381	389	278	411	2,459
Timbertree Academy	704	121	42	174	1,041
Walthamstow Academy	4,081	1,104	824	1,656	7,665
Wilberforce Academy	1,570	245	266	530	2,611
William Hulme's Grammar School	3,965	881	464	1,242	6,552
Winton College	2,288	662	225	522	3,697
Wye School	348	71	76	219	714
Head Office	709	262	136	4,640	5,747
	<u>99,580</u>	<u>23,218</u>	<u>16,222</u>	<u>38,233</u>	<u>177,253</u>

Notes to the Financial Statements

For the year ended 31 August 2014

22. Analysis of net assets between funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	408,845	408,845	368,698
Stock market investments	7,082	-	-	7,082	6,018
Current assets	13,767	17,904	2,301	33,972	27,867
Creditors due within one year	-	(14,355)	-	(14,355)	(10,192)
Provisions for liabilities and charges	-	(20,877)	-	(20,877)	(10,649)
	<u>20,849</u>	<u>(17,328)</u>	<u>411,146</u>	<u>414,667</u>	<u>381,742</u>

23. Net cash flow from operations

	2014 £000	2013 £000
Net incoming resources before revaluations	37,809	50,392
Returns on investments and servicing of finance	(220)	(536)
Realised gains	(277)	(482)
Depreciation of tangible fixed assets	14,315	13,308
Capital grants from DfE	(4,027)	(399)
Assets transferred on conversion	(49,411)	(59,557)
Increase in debtors	(3,607)	(1,963)
Increase in creditors	4,163	2,633
FRS 17 adjustments	4,916	3,629
Net cash inflow from operations	<u>3,661</u>	<u>7,025</u>

24. Analysis of cash flows for headings netted in cash flow statement

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	<u>220</u>	<u>536</u>

Notes to the Financial Statements

For the year ended 31 August 2014

24. Analysis of cash flows for headings netted in cash flow statement (continued)

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(5,051)	(8,008)
Purchase of listed investments	(359)	-
Capital grants	4,027	-
Net cash outflow capital expenditure	(1,383)	(8,008)
	2014 £000	2013 £000
Acquisitions and disposals		
Purchase of fixed asset investments	-	(3,344)

25. Analysis of changes in net funds

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	19,442	2,498	-	21,940
Net funds	19,442	2,498	-	21,940

26. Conversion to an academy status

On the dates as shown, the 10 academies stated below converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to United Learning Trust from the respective Local Authorities for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

Notes to the Financial Statements

For the year ended 31 August 2014

26. Conversion to an academy status (continued)

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Freehold land and buildings	-	-	10,885	10,885
Leasehold land and buildings	-	-	38,526	38,526
Budget surplus on LA funds	603	-	-	603
LGPS pension deficit	-	(3,326)	-	(3,326)
Net assets/(liabilities)	<u>603</u>	<u>(3,326)</u>	<u>49,411</u>	<u>46,688</u>

The academies to which the above assets/liabilities relate to are as follows:

	Buildings £000	LA Funds £000	LGPS £000
Abbey Hey Primary Academy (converted 1 December 2013)	2,098	-	(248)
Cravenwood Primary Academy (converted 1 April 2014)	4,092	254	(267)
Glenmoor School (converted 1 September 2013)	4,890	-	(389)
John Smeaton Academy (converted 1 January 2014)	-	-	(448)
Nova Hreod Academy (converted 1 January 2014)	-	-	(435)
Seahaven Academy (converted 1 April 2014)	25,000	190	(339)
Silverdale Primary Academy (converted 1 January 2014)	1,117	-	(167)
The Victory Primary School (converted 1 September 2013)	4,218	154	(250)
Wilberforce Primary (converted 1 September 2013)	2,001	5	(215)
Winton College (converted 1 September 2013)	5,995	-	(568)
Total	<u>49,411</u>	<u>603</u>	<u>(3,326)</u>

Notes to the Financial Statements

For the year ended 31 August 2014

27. Pension commitments

The Academy Trust operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Academy Trust in an independently administered fund.

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Authority. 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 2010.

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.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Notes to the Financial Statements

For the year ended 31 August 2014

27. Pension commitments (continued)

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.

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 from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted 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 are funded defined benefit schemes, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £4.400m, of which employer's contributions totalled £3.137m and employees' contributions totalled £1.263m. The agreed contribution rates for future years are 10.2% - 20.5% for employers and 5.5% - 7.5% 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.

Notes to the Financial Statements

For the year ended 31 August 2014

27. Pension commitments (continued)

The amounts recognised in the Balance Sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(81,215)	(52,365)
Fair value of scheme assets	60,338	41,716
Net liability	<u>(20,877)</u>	<u>(10,649)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £000	2013 £000
Current service cost	(4,951)	(3,428)
Interest on obligation	(2,791)	(1,861)
Expected return on scheme assets	2,791	1,737
Past service cost	(232)	(105)
Total	<u>(5,183)</u>	<u>(3,657)</u>

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

	2014 £000	2013 £000
Opening defined benefit obligation	52,365	40,418
Current service cost	4,951	3,428
Interest cost	2,791	1,861
Contributions by scheme participants	1,415	1,010
Actuarial losses	10,515	1,068
Past service costs	142	-
Losses on curtailments	90	105
Liabilities assumed in a business combination	9,728	5,007
Benefits paid	(568)	(532)
Business combinations	(214)	-
Closing defined benefit obligation	<u>81,215</u>	<u>52,365</u>

Notes to the Financial Statements

For the year ended 31 August 2014

27. Pension commitments (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2014	2013
	£000	£000
Opening fair value of scheme assets	41,716	30,878
Expected return on assets	2,791	1,737
Actuarial gains and (losses)	5,203	3,588
Contributions by employer	3,591	2,516
Contributions by employees	1,415	1,010
Assets acquired in a business combination	6,402	2,519
Benefits paid	(568)	(532)
Business combinations	(212)	-
	<u>60,338</u>	<u>41,716</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £4,618,000 (2013 - £4,394,000).

The Academy Trust expects to contribute £3,932,000 to its Local Government pension schemes in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	62.70 %	68.30 %
Bonds	17.20 %	18.40 %
Property	7.60 %	7.30 %
Cash	3.60 %	3.60 %
Other	3.30 %	- %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.68 %	4.60 %
Expected return on scheme assets at 31 August	5.46 %	5.90 %
Rate of increase in salaries	3.87 %	4.76 %
Rate of increase for pensions in payment / inflation	2.42 %	2.74 %
Inflation assumption (CPI)	2.42 %	2.87 %

Notes to the Financial Statements

For the year ended 31 August 2014

27. Pension commitments (continued)

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

	2014	2013
Retiring today		
Males	21.4 - 24.4	20.1 - 24.0
Females	24.0 - 26.5	22.5 - 25.7
Retiring in 20 years		
Males	24.0 - 26.5	22.5 - 25.7
Females	26.6 - 28.5	25.0 - 26.9

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date with returns on equities and properties assumed to be a margin above gilt yields.

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	(81,215)	(52,365)	(40,418)	(26,850)	(25,698)
Scheme assets	60,338	41,716	30,878	24,578	20,562
Deficit	(20,877)	(10,649)	(9,540)	(2,272)	(5,136)
Experience adjustments on scheme liabilities	-	-	(100)	(263)	(608)
Experience adjustments on scheme assets	5,203	3,588	(98)	(126)	(125)

28. Operating lease commitments

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £000	Land and buildings 2013 £000	2014 £000	Other 2013 £000
Expiry date:				
Within 1 year	254	-	161	422
Between 2 and 5 years	-	-	515	1,013
After more than 5 years	1,912	-	4	138



Notes to the Financial Statements

For the year ended 31 August 2014

29. Related party transactions

Owing to the nature of the charitable company's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charitable company's financial regulations and normal procurement procedures.

There were no material related party transactions in the year ended 31 August 2014 that require disclosure in the financial statements.

30. Post balance sheet events

On 1 September 2014 the charitable company welcomed into the Group Goresbrook School, Richard Rose Central Academy and Richard Rose Morton Academy. The charitable company also disposed of its interest in Kings Park Academy on the same date.

31. Ultimate parent undertaking and controlling party

The Directors consider that the ultimate controlling related party of the charitable company is United Church Schools Foundation Limited. As such, the charitable company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by United Church Schools Foundation.

The largest group of undertakings for which group accounts have been drawn up is that headed by United Church Schools Foundation Limited. Copies of the group accounts can be obtained from Fairline House, Nene Valley Business Park, Oundle, Peterborough, PE8 4HN.