

# Financial Statements United Learning Trust

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**For the year ended 31 August 2015**



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08/01/2016  
COMPANIES HOUSE

**Registered number: 04439859**

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

For the year ended 31 August 2015

## **Members**

The United Church Schools Trust  
Mr K Poyser

## **Trustees and Directors**

Dame Y Bevan  
Mr J Coles  
Mrs A Crowe  
Mr M George  
Sir M Graydon (resigned 21 May 2015)  
Sir A Greener  
Mr R Greenhalgh (appointed 25 March 2015)  
Mr D Robinson  
Mr N Robson, Chairman

## **Company registered number**

04439859

## **Principal and registered office**

Fairline House  
Nene Valley Business Park  
Oundle  
Peterborough  
PE8 4HN

## **Company secretary**

Mr S Whiffen (appointed 12 February 2015)  
Mr A C D Holmes (resigned 16 January 2015)

## **Chief executive officer**

Mr J Coles

## **Senior management team (as at 1 September 2015)**

Mr J Coles, Chief Executive Officer  
Ms A Bush, Head of Strategy and Performance  
Mrs L Johnston, Chief Financial Officer  
Mr G Harvey-Browne, Director of Estates  
Mrs M Coalter, Director of People  
Dame S Coates, Director of Secondary Academies (South)  
Mr D Lee, Primary Director  
Mr D Norrish, Group Director of Technology  
Mrs T Ruddell, Primary director  
Mrs J Woods, Director of Secondary Academies (North)

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

For the year ended 31 August 2015

## Administrative details (continued)

### **Independent auditor**

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

### **Bankers**

Barclays Bank PLC  
Birmingham

### **Solicitors**

Hewitsons LLP  
Elgin House  
Billing Road  
Northampton  
NN1 5AU

Stone King LLP  
30 Station Road  
Cambridge  
CB1 2RE

# Directors' Report

For the year ended 31 August 2015

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 2015. 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.

The training and induction provided for new Directors is dependent upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors are given tours of the Charitable Company's academies and the chance to meet with staff and students. Directors are provided with copies of the policies, procedures, minutes, accounts, budgets, plans and other documents needed to undertake their role as a Director.

### 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

## Directors' Report (continued)

For the year ended 31 August 2015

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 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.

### **About United Learning**

The overall aim of the Charitable Group 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 over 130 years, and we have founded and developed a large number of schools, focusing on the most important social and educational challenges of the day. Our strength lies in our unique collaboration between state and independent schools, in our national reach and in our continued determination to learn, improve and achieve excellence.

As of 31 August 2015, United Learning – the trading name of the Charitable Group – comprises 13 independent schools, 41 state sector academies and a small Central Office function that serves our schools.

### **Improved Academic Performance**

Over the course of the year, academic performance improved across the Group; despite a national dip in performance at GCSE, our academies' average rose 4 percentage points.

## **Directors' Report (continued)**

**For the year ended 31 August 2015**

### **Academies**

At A Level:

- 68.9% of entries were awarded A\*-C
- The overall pass rate was 97.2%

At GCSE:

- 49.8% of students achieved five or more A\*-C grades including English and maths
- 71% of students made at least expected progress in English
- 62% of students made at least expected progress in maths

There were some notable improvements and successes at Nova Hreod Academy, Swindon Academy, Kettering Buccleuch Academy, Walthamstow Academy, Richard Rose Central Academy and Richard Rose Morton Academy.

Nine of our academies received full Ofsted inspections during the academic year. Five received Good outcomes – Accrington Academy, Glenmoor Academy, Stockport Academy, Winton Academy and Wye School. Of the remaining four, two were removed from Special Measures during their inspection including Richard Rose Central Academy which joined the Group in September 2014.

### **Improving Primary School Performance**

Four out of the five of our primary academies receiving full Ofsted inspections during the academic year were judged to be Good – Abbey Hey Primary Academy, Grange Primary Academy, Hanwell Fields Community School and The Victory Primary School.

### **Closing the Gap**

Amongst Free School Meals pupils at our primary academies, the percentage achieving a Level 4 in reading, writing and maths at the end of Key Stage 2 was 75% in August 2015, an increase of 11 percentage points compared with 2014. For the primary group as a whole, there is no longer a difference at Key Stage 2 on attainment and progress measures between those on Free School Meals and those not.

At secondary level, the number of Free School Meals students gaining five or more A\*-C GCSEs (including English and maths) improved to 40% from 37% in one year. This is in line with the improvement amongst students generally in the Group.

### **Powerful Knowledge**

During the course of the year we developed and began to implement a United Learning Curriculum in English and maths extending from Year 1 to Year 9. This highly rigorous academic curriculum builds on the new national curriculum to ensure all children in our schools learn the English and maths that they need to be successful at school and in life.

We conducted the pilot of our United Classroom initiative offering GCSE Astronomy to Year 9 and 10 students from Lambeth Academy and Surbiton High School, successfully providing them with access to a highly academic subject that they would not otherwise be able to study.

### **Education with Character**

Our pupil experience offer continued to expand this year to meet our Pupil Charter. This sets out the entitlement of every young person in the Group to excellent enrichment opportunities. During the year, over 12,700 pupils took part in some form of Group-wide pupil experience designed to challenge and engage them and introduce them to new opportunities. Activities included an extensive range of group-wide sporting and musical activities

## **Directors' Report (continued)**

**For the year ended 31 August 2015**

and a wide range of other enriching opportunities such as the UnitedApp Competition, poetry workshops and social action projects.

Following its establishment in July 2014, the United Learning Partnership Fund, which was made possible through the generosity of the Alan Howard Foundation, began to fund a huge variety of opportunities for our students and staff. Key projects developed through the Fund this year include the Russell Group Entrance Project, collaborations between our academies and some of the country's best performing independent schools and deep professional development for teachers.

Through the work of our Heads of Sport and Music and Performing Arts, we continued to offer our students an excellent enrichment offer which included inter-school competitions, motivational workshops led by our Sport Ambassadors and opportunities to perform in New York and at the Edinburgh Fringe.

### **Outstanding People and Leadership**

In the 2014/15 academic year, 101 people commenced their United Teaching training, with 88 trainees successfully graduating this summer. Approximately 80% of these graduates are now teaching in the Group's schools.

All heads take part in twice-termly Group Education Forums and other development opportunities. Over half of Senior Leaders and over a quarter of Middle Leaders have participated in programmes including Masters degrees, coaching training and leadership development.

The Group undertook a priority review, examining the provision of CPD across the Group. The conclusions are being implemented.

81% of employees responded to our annual Staff Survey. Our Overall Engagement Score (defined by Ipsos Mori as "an employee's willingness to put discretionary effort into their work in the form of time, thought and energy") rose to 72%. This score outperforms the UK norm of 55%, public sector norm of 51% and education sector norm of 59%.

### **Growth of the Group**

We were pleased to welcome the following new schools into our Group: Goresbrook School, The Hurlingham Academy, High Hazels Academy and Richard Rose Central and Morton Academies.

### **Group Board and Executive Team**

Richard Greenhalgh succeeded Sir Michael Graydon as Chair of United Learning. Sir Michael stood down after 18 years of Board-level involvement with the Group and had been Chair since 2012. The Group remains indebted to Sir Michael for his many years of dedication, commitment and loyalty to its schools.

Dame Sally Coates was appointed Director of Secondary Academies - South.



## Directors' Report (continued)

For the year ended 31 August 2015

### 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.

### Key financial performance indicators

The Charitable Company has a number of performance indicators, some financial, others related to the educational outcome for the pupils. The key indicators are:

1. All schools to improve their academic performance within the year
2. All schools to be removed from categories within appropriate Ofsted timeframe
3. High quality trainee teachers recruited and in schools by the start of the next academic year
4. The Academy Trust to achieve a balanced in-year budget

The Charitable Company's schools educational results are set out on page 4 and 5, together with trainee recruitment progress.

### 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 were received from United Church Schools Trust, and have been used 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 £2.223m (2014: £4.365m).

The restricted general funds (before transfers from funds and before revaluations of pension schemes) show a deficit of £12.789m (2014: £6.006m) 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 deficit of £6.940m (2014: surplus of £39.173m).

At 31 August 2015 the net book value of tangible fixed assets was £408m (2014: £409m) and movements in tangible fixed assets are shown in Note 18 to the financial statements.

## Directors' Report (continued)

For the year ended 31 August 2015

The Charitable Company held fund balances of £393m (2014: £415m) comprising £409m (2014: £411m) of restricted funds for the specific use of building new academies or refurbishments authorised by the DfE, £nil (2014: £3.5m) of other restricted DfE funds, £19m (2014: £21m) of unrestricted funds and a pension deficit of £34.258m (2014: £20.877m).

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.

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.

## **Directors' Report (continued)**

**For the year ended 31 August 2015**

### **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 Company 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 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 £18.654m (2014: £20.849m) 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 22.

### **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 2015, the Charitable Company welcomed into the Group Walthamstow Primary Academy.

In the next twelve months the Charitable Company will continue to grow in its existing cluster locations.

## Directors' Report (continued)

For the year ended 31 August 2015

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 remains the sole member of ESF and will remain so until the new multi-academy trust is established.

### **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 in place 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.

## Directors' Report (continued)

For the year ended 31 August 2015

Full details of these policies are available from the Charitable Company's office

### **Disclosure of information to auditor**

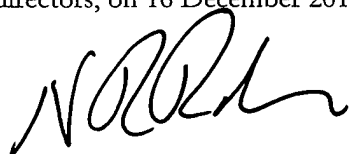
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- 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 16 December 2015 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. The Accounting Officer is 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. The board of Directors have delegated their powers and functions to a committee of the board of Directors known as the Group Board. All the directors of United Learning Trust are members of the Group Board. Members of the Group Board also include persons who are directors of United Church Schools Trust. The Group Board carries out an annual self-evaluation process to review its effectiveness and continue to improve its performance.

The Group Board has formally met 7 times during the year and the ULT Board of Directors has held 1 independent meeting. Attendance during the year at meetings of the board of Directors was as follows:

	Group Board Meetings attended	Out of a possible	ULT meetings attended	Out of a possible
Dame Y Bevan	4	7	0	1
Mr J Coles	7	7	1	1
Mrs A Crowe	7	7	1	1
Mr M George	6	7	0	1
Sir M Graydon	5	5	1	1
Sir A Greener	6	7	1	1
Mr R Greenhalgh	3	3	0	0
Mr D Robinson	5	7	1	1
Mr N Robson (Chair)	7	7	1	1

The board of Directors delegates clear responsibilities to the Academies' Local Governing Bodies (LGBs), whose purpose is to provide support and challenge to the academy on behalf of the board. The functions and duties of the LGBs are set out in the LGB Terms of Reference. The Group Board maintains links with the LGBs through the Company Secretary and designated Directors for the primary and secondary Academies. The Chairs of the LGBs attend meetings of the Education Board, which meets three times in the academic year and provides advice on strategy and education, further enhancing communications between LGBs and the Directors.

The board of Directors has three committees which advise on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee and the Nominations and Salaries Committee. The minutes of the Finance Committee and the Risk and Audit Committee are made available to the board of Directors at meetings of the Group Board. The Chair of the Risk and Audit Committee reports to the board of Directors at meetings of the Group Board twice a year.

The Finance Committee's purpose is to:

- ensure that the charitable company properly plans the use of its finances and is adequately funded to

## Governance Statement (continued)

- undertake projected expenditure
- review and recommend the annual budgets for approval by the board
- monitor 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 (chair)	4	5
Dr S Critchley	4	5
Mrs A Crowe	5	5
Mr M George	3	5
Sir M Graydon (resigned 21 May 2015)	4	4
Mr R Greenhalgh	1	1
Mr J Irwin (resigned 7 May 2015)	1	3
Mr M Litchfield	2	5
Mr N Robson	4	4

The Risk and Audit Committee's 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 (chair)	4	4
Mrs K Bowles	4	4
Dr S Critchley	4	4
Mr D D'Arcy Hughes	2	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. The committee regularly reviews the terms of office, skills and attributes of the Board of Directors. Recruitment and selection of Directors is based on this and the committee ensures that key skills gaps are identified and addressed. The committee also takes account of Board diversity and strives to ensure the Board composition is diverse particularly in terms of gender and ethnicity.

The committee membership is the Chair of the Group Board and the Chairs of UCSF, UCST, ULT with the Chief Executive in attendance. They are advised by the Director of People and Company Secretary. The members of the committee are responsible for recruiting and selecting new Trustees and making recommendations of appointment to the Board.

## Governance Statement (continued)

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mrs A Crowe	2	2
Sir M Graydon	2	2
Sir A Greener	2	2
Mr R Greenhalgh	1	1
Mr N Robson	2	2

### Review of Value for Money

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

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

- Ensuring that there is effective and continually improving control environment and governance framework in place, thus highlighting inefficiencies and reducing waste
- Continually reviewing and evaluating school improvement strategies to ensure excellent education outcomes are achieved
- Ensuring technical efficiencies through the continual matching of teacher skills to the curriculum and group wide procurement savings including technology frameworks being established and energy contracts renewed and renegotiated

### 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 2014 to 31 August 2015 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. The board of Directors has reviewed this process and approved an updated version of the Group Risk Management Policy.

The Charitable Group has a risk register that identifies the 12 key strategic risks facing the Group, the actions taken to mitigate those risks and the owners of those actions. Risk control is exercised by the senior management team,



## Governance Statement (continued)

which reviews the risk register on a monthly basis. The Risk and Audit Committee considers the risk register at each of its meetings. Its views are reported to the board of Directors via the Committee's minutes and the Chair's bi-annual report to the Group Board.

### 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.

The Group employs an internal auditor who has a direct reporting line to the Chair of the Risk and Audit Committee. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Charitable Company'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.

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.

### 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:

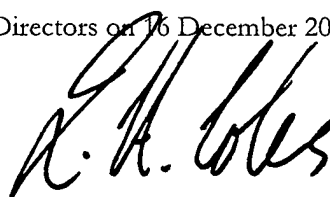
- the work of the external auditor
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Charitable Company who have responsibility for the development and maintenance of the internal control framework.

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 16 December 2015 and signed on its behalf, by:



**N Robson**  
Chair of Directors



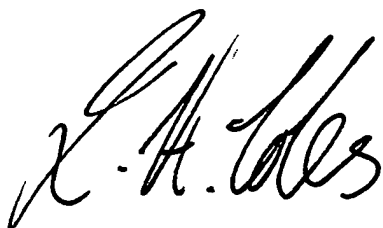
**J Coles**  
Accounting Officer

## 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 (2014).

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 (2014).

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

A handwritten signature in black ink, appearing to read 'J. Coles', written in a cursive style.

**Mr J Coles**  
**Accounting Officer**

Date: 16 December 2015

## **Directors' Responsibilities Statement**

**For the year ended 31 August 2015**

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 16 December 2015 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 2015 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

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



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

## **Opinion on financial statements**

In our opinion the financial statements:

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

## **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.

*Grant Thornton UK LLP*

William Devitt (Senior statutory auditor)  
for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

300 Pavilion Drive

Northampton Business Park

Northampton

NN4 7YE

Date: **23 DECEMBER 2015**

# 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 24 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by United Learning Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to United Learning Trust and 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than United Learning Trust and 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

## **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.

- 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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Grant Thornton UK LLP*

## Grant Thornton UK LLP

Chartered Accountants  
Statutory Auditor

300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE

Date: 23 DECEMBER 2015

## Statement of Financial Activities

For the year ended 31 August 2015

		Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Transfers from other trusts	3	-	(3,167)	-	(3,167)	-
Other voluntary income	3	31	-	-	31	14
Activities for generating funds	4	5,422	-	-	5,422	6,171
Investment income	5	236	-	-	236	222
Incoming resources from charitable activities	6	-	193,163	7,543	200,706	176,529
Other incoming resources	7	1,084	(2,378)	5,340	4,046	46,688
<b>Total incoming resources</b>		<b>6,773</b>	<b>187,618</b>	<b>12,883</b>	<b>207,274</b>	<b>229,624</b>
Continuing operations		5,277	179,437	6,666	191,380	229,624
Acquired operations		1,496	8,181	6,217	15,894	-
<b>Resources expended</b>						
Charitable activities	9	4,550	200,345	19,823	224,718	192,058
Governance costs	10	-	62	-	62	34
<b>Total resources expended</b>	11	<b>4,550</b>	<b>200,407</b>	<b>19,823</b>	<b>224,780</b>	<b>192,092</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>2,223</b>	<b>(12,789)</b>	<b>(6,940)</b>	<b>(17,506)</b>	<b>37,532</b>



# Statement of Financial Activities (continued)

For the year ended 31 August 2015

		Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Transfers between Funds	22	(4,685)	-	4,685	-	-
<b>Net incoming resources / (resources expended) before investment asset disposals</b>		<b>(2,462)</b>	<b>(12,789)</b>	<b>(2,255)</b>	<b>(17,506)</b>	<b>37,532</b>
Continuing operations		(3,958)	(6,948)	(8,191)	(19,097)	37,532
Acquired operations		1,496	(5,841)	5,936	1,591	-
Gains on disposals of investment assets	19	308	-	-	308	277
<b>Net incoming / (outgoing) resources before revaluations</b>		<b>(2,154)</b>	<b>(12,789)</b>	<b>(2,255)</b>	<b>(17,198)</b>	<b>37,809</b>
Gains and losses on revaluations of investment assets	19	(41)	-	-	(41)	428
Actuarial losses on defined benefit pension schemes	28	-	(4,141)	-	(4,141)	(5,312)
<b>Net movement in funds for the year</b>		<b>(2,195)</b>	<b>(16,930)</b>	<b>(2,255)</b>	<b>(21,380)</b>	<b>32,925</b>
Total funds at 1 September 2014		20,849	(17,328)	411,146	414,667	381,742
<b>Total funds at 31 August 2015</b>		<b>18,654</b>	<b>(34,258)</b>	<b>408,891</b>	<b>393,287</b>	<b>414,667</b>

The notes on pages 26 to 54 form part of these financial statements.

## Balance Sheet

As at 31 August 2015

	Note	£000	2015 £000	£000	2014 £000
<b>Fixed assets</b>					
Tangible assets	18		407,573		408,845
Investments	19		7,470		7,082
			<u>415,043</u>		<u>415,927</u>
<b>Current assets</b>					
Debtors	20	13,674		12,035	
Cash at bank and in hand		15,234		21,937	
		<u>28,908</u>		<u>33,972</u>	
<b>Creditors:</b> amounts falling due within one year	21	(16,406)		(14,355)	
<b>Net current assets</b>			<u>12,502</u>		<u>19,617</u>
<b>Total assets less current liabilities</b>			<u>427,545</u>		<u>435,544</u>
Defined benefit pension scheme liability	29		(34,258)		(20,877)
<b>Net assets including pension scheme liability</b>			<u><u>393,287</u></u>		<u><u>414,667</u></u>
<b>Funds of the Academy Trust</b>					
Restricted general funds:					
Restricted general funds	22	-		3,549	
Restricted fixed asset funds	22	408,891		411,146	
Restricted funds excluding pension liability		<u>408,891</u>		<u>414,695</u>	
Pension reserve	22	(34,258)		(20,877)	
Total restricted general funds			<u>374,633</u>		<u>393,818</u>
Unrestricted funds	22		<u>18,654</u>		<u>20,849</u>
<b>Total funds</b>			<u><u>393,287</u></u>		<u><u>414,667</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 16 December 2015 and are signed on their behalf, by:

Mr N Robson  
Chair of Directors



The notes on pages 26 to 54 form part of these financial statements.

## Cash Flow Statement

For the year ended 31 August 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	24	(1,151)	3,661
Returns on investments and servicing of finance	25	236	220
Capital expenditure and financial investment	25	(5,788)	(1,383)
<b>Increase/(Decrease) in cash in the year</b>		<b>(6,703)</b>	<b>2,498</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2015

		2015 £000	2014 £000
Increase/(Decrease) in cash in the year		(6,703)	2,498
<b>Movement in net funds in the year</b>		<b>(6,703)</b>	<b>2,498</b>
Net funds at 1 September 2014	24	21,937	19,439
<b>Net funds at 31 August 2015</b>	<b>24</b>	<b>15,234</b>	<b>21,937</b>

The notes on pages 26 to 54 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 August 2015

## 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 2014 to 2015 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 2015

## 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 2015

## 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 straight line basis as follows::

Freehold property	-	50 years
Leasehold Property	-	10 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 2015

## 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.

The trust has two 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

Retirement benefits to employees of the Charitable Company are principally 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 29, 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 2015

## 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.

The Charitable Company also operates a defined contribution pension scheme for a small number of employees and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

### 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 27.

## 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 2015 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 2015.



# Notes to the Financial Statements

For the year ended 31 August 2015

## 3. Voluntary income

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Transfers from other trusts	-	(3,167)	(3,167)	-
Donations	31	-	31	14
Voluntary income	31	(3,167)	(3,136)	14

## 4. Activities for generating funds

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
ULT Trading Limited - gift aid	1,578	-	1,578	1,289
Activities for generating funds	3,844	-	3,844	4,882
	5,422	-	5,422	6,171

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

## 5. Investment income

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Investment income receivable	199	-	199	160
Bank interest receivable	37	-	37	60
Net pension income	-	-	-	2
	236	-	236	222

# Notes to the Financial Statements

For the year ended 31 August 2015

## 6. Incoming resources from charitable activities

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Funding for the Academy Trust's educational operations	-	200,706	200,706	176,529
	-	200,706	200,706	176,529

### Funding for the Academy Trust's educational operations

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	166,740	166,740	153,477
Start Up Grants	-	520	520	1,016
Other DfE/EFA Grants	-	7,356	7,356	50
Pupil premium	-	11,811	11,811	11,734
Capital grants	-	7,484	7,484	3,287
	-	193,911	193,911	169,564
<b>Other government grants</b>				
Local authority grants	-	6,795	6,795	6,965
	-	6,795	6,795	6,965
	-	200,706	200,706	176,529

## 7. Voluntary income - transfers from local authority on conversion

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Pension deficit transferred on conversion	-	(2,378)	(2,378)	(3,326)
Buildings and funds transferred from Local Authority on conversion	1,084	5,340	6,424	50,014
	1,084	2,962	4,046	46,688

# Notes to the Financial Statements

For the year ended 31 August 2015

## 8. Academies acquired or disposed in the year

The Trust acquired 5 further academies during the year ended 31 August 2015. The incoming resources and net movement in funds for these academies is shown below. Further details of acquisitions are given in Note 27.

	Discontinued 2015 £000	Acquired 2015 £000
Incoming resources from charitable activities	-	14,661
Voluntary income	-	412
Voluntary income - transfers from local authority on conversion	-	3,988
Voluntary income - transfers from existing academies	-	(3,167)
Resources expended - charitable activities	-	(14,303)
Net movement in funds for the year	-	1,591

## 9. Expenditure by charitable activity

### Summary by fund type

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Direct costs	4,550	179,251	183,801	160,366
Support costs	-	40,917	40,917	31,692
	4,550	220,168	224,718	192,058

### Charitable activities

	Unrestricted funds £000	Restricted funds £000	2015 £000	2014 £000
<b>Direct costs</b>				
Teaching and educational support costs	4,550	137,565	142,115	124,641
Educational supplies	-	22,434	22,434	18,486
Examination costs	-	3,393	3,393	3,243
Staff development	-	1,193	1,193	1,436
Net pension costs	-	16	16	-
Other direct costs	-	14,650	14,650	12,560
Total	4,550	179,251	183,801	160,366

# Notes to the Financial Statements

For the year ended 31 August 2015

	Unrestricted funds £000	Restricted funds £000	2015 £000	2014 £000
<b>Support costs</b>				
Recruitment and support	-	287	287	241
Catering	-	4,233	4,233	3,682
Maintenance and services	-	5,506	5,506	4,877
Cleaning	-	1,862	1,862	1,595
Rent and rates	-	1,776	1,776	1,307
Insurance	-	875	875	757
Legal and professional	-	1,450	1,450	869
Security and transport	-	964	964	882
Heat and light	-	3,890	3,890	3,091
Loss on disposal	-	5,224	5,224	-
Other support costs	-	251	251	76
Depreciation	-	14,599	14,599	14,315
<b>Total</b>	<b>-</b>	<b>40,917</b>	<b>40,917</b>	<b>31,692</b>

## 10. Governance costs

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Auditor's remuneration	-	41	41	34
Auditor's non audit costs	-	21	21	-
<b>Total</b>	<b>-</b>	<b>62</b>	<b>62</b>	<b>34</b>

# Notes to the Financial Statements

For the year ended 31 August 2015

## 11. Resources expended

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£000	£000	£000	£000	£000
Direct costs	142,115	-	41,686	183,801	160,366
Support costs	-	33,732	7,185	40,917	31,692
Charitable activities	142,115	33,732	48,871	224,718	192,058
Governance	-	-	62	62	34
	142,115	33,732	48,933	224,780	192,092

## 12. Net incoming / (outgoing) resources

This is stated after charging:

	2015	2014
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	14,598	14,315
Operating lease rentals - plant and machinery	648	598
Governance internal audit costs	-	19
	<u>15,246</u>	<u>14,932</u>

## 13. Auditor's remuneration

	2015	2014
	£000	£000
Fees payable to the Academy Trust's auditor and its associates for the audit of the Academy Trust's annual accounts	46	41
Fees payable to the Academy Trust's auditor and its associates for additional EFA assurance related services		
Additional EFA audit requirements	21	19
	<u>67</u>	<u>60</u>

# Notes to the Financial Statements

For the year ended 31 August 2015

## 14. Staff

### a. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	117,613	99,695
Social security costs	7,682	6,927
Other pension costs (Note 29)	16,820	18,020
	<hr/>	<hr/>
	142,115	124,642
Supply teacher costs	3,346	2,182
Staff restructuring costs	1,450	1,301
	<hr/>	<hr/>
	146,911	128,125
	<hr/>	<hr/>

### b. Staff severance payments

Included within staff costs are non-statutory/non-contractual severance payments totalling £253,211 (2014: £272,179) for the following amounts:

£250	£2,580	£5,200	£7,500	£12,471	£15,000
£1,000	£3,000	£6,000	£10,000	£13,500	£29,000
£1,322	£4,000	£7,000	£11,000	£15,000	£30,000
£1,500	£5,000	£7,500	£12,188	£15,000	£38,200

### c. Staff numbers

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

	2015 No.	2014 No.
Teachers	2,047	1,828
Administration and support	1,651	1,474
	<hr/>	<hr/>
	3,698	3,302
	<hr/>	<hr/>

# Notes to the Financial Statements

For the year ended 31 August 2015

## 14. Staff (continued)

### d. Higher paid staff

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

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	51	56
In the band £ 70,001 - £ 80,000	25	15
In the band £ 80,001 - £ 90,000	10	9
In the band £ 90,001 - £100,000	7	2
In the band £100,001 - £110,000	10	8
In the band £110,001 - £120,000	3	2
In the band £120,001 - £130,000	2	1
In the band £130,001 - £140,000	4	4
In the band £140,001 - £150,000	1	0
	<u>103</u>	<u>107</u>

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

	2015 £000	2014 £000
Pension contributions to Teachers Pension Scheme	1,093	1,074
Pension contributions to Local Government Pension Scheme	66	85
Pension contributions to Defined Contribution Pension Scheme	-	4

During the year 102 (2014 - 100) higher paid employees participated in the Teachers Pension Scheme, 6 employees (2014 - 6) participated in a local Government Pension Scheme and 0 (2014 - 1) 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 2015

## 15. Central services

The Charitable Group has provided the following central services to its academies during the year, via a services agreement with a fellow group charity:

- Strategy
- Governance and company secretarial
- 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 Charitable Group 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:

Academy Name	Partnership fee £
Abbey Hey Primary Academy	66,591
Accrington Academy	236,588
Barnsley Academy	196,460
Beacon View Primary Academy	58,798
Carter Community School	85,000
Corngreaves Academy	30,195
Cravenwood Primary Academy	60,175
Glenmoor Academy	125,599
Goresbrook School	18,810
Grange Primary Academy	30,000
Hanwell Fields Community School	41,179
High Hazels Academy - Infants	44,696
High Hazels Academy - Juniors	53,872
John Smeaton Academy	200,013
Kettering Buccleuch Academy	297,198
Lambeth Academy	234,289
Manchester Academy	200,640
Midhurst Rother College	198,759
North Oxfordshire Academy	212,135
Northampton Academy	288,629
Nova Hreod Academy	200,431



# Notes to the Financial Statements

For the year ended 31 August 2015

Paddington Academy	246,170
Richard Rose Central Academy	139,708
Richard Rose Morton Academy	123,937
Salford City Academy	127,699
Seahaven Academy	112,860
Sheffield Park Academy	197,296
Sheffield Springs Academy	206,100
Shoreham Academy	336,699
Silverdale Primary Academy	21,356
Southway Primary School	80,000
Stockport Academy	140,657
Swindon Academy	307,230
The Hurlingham Academy	66,624
The Regis School	297,407
The Victory Primary School	75,133
Timbertree Academy	25,865
Walthamstow Academy	207,119
Wilberforce Primary	62,041
William Hulme's Grammar School	219,241
Winton Academy	130,454
Wye School	37,620
Head Office	442,000
Total	<u><u>6,483,273</u></u>

## 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 2015 was £6,414 (2014 - £6,017). The cost of this insurance is included in the total insurance cost.

## 17. Other finance income

	2015 £000	2014 £000
Expected return on pension scheme assets	3,852	2,791
Interest on pension scheme liabilities	(3,868)	(2,791)
	<u>(16)</u>	<u>-</u>

## Notes to the Financial Statements

For the year ended 31 August 2015

**18. Tangible fixed assets**

	Freehold property £000	Assets under construction £000	Short Term leasehold property £000	Motor vehicles £000	Office equipment £000
<b>Cost</b>					
At 1 September 2014	442,659	-	-	114	19,818
Additions	3,856	2,805	164	26	1,932
Disposals	(5,374)	-	-	-	-
Transfers on conversion	6,735	-	-	-	-
At 31 August 2015	447,876	2,805	164	140	21,750
<b>Depreciation</b>					
At 1 September 2014	45,876	-	-	107	11,165
Charge for the year	8,929	-	18	13	2,008
On disposals	(152)	-	-	-	-
At 31 August 2015	54,653	-	18	120	13,173
<b>Net book value</b>					
At 31 August 2015	393,223	2,805	146	20	8,577
At 31 August 2014	396,783	-	-	7	8,653
				<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 September 2014				37,288	499,879
Additions				3,032	11,815
Disposals				(187)	(5,561)
Transfers on conversion				-	6,735
At 31 August 2015				40,133	512,868
<b>Depreciation</b>					
At 1 September 2014				33,886	91,034
Charge for the year				3,630	14,598
On disposals				(185)	(337)
At 31 August 2015				37,331	105,295
<b>Net book value</b>					
At 31 August 2015				2,802	407,573
At 31 August 2014				3,402	408,845

# Notes to the Financial Statements

For the year ended 31 August 2015

## 19. Fixed asset investments

	Trade investments £000
<b>Market value</b>	
At 1 September 2014	7,082
Additions	2,248
Disposals	(1,819)
Revaluations	(41)
	<hr/>
At 31 August 2015	7,470
	<hr/>

### Investments at market value comprise:

	2015 £000	2014 £000
Stock market investments	7,470	7,082
	<hr/>	<hr/>

All the fixed asset investments are held in the UK.

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 2015 ULT Projects Limited had negative capital and reserves of £13,268 (2014 - £12,216) and a deficit of £1,052 (2014 - deficit of £1,040), ULT Trading Company Limited had an aggregate capital reserve of £100 (2014 - £100) and a deficit of £nil (2014 - £nil). For the year ended 31 August 2015 RCAL had aggregate capital and reserves of £1,283 (2014 - £1,283) and a net surplus of £nil (2014 - £1,283). The Emmanuel Schools Foundation had net assets of £74,625,000 (2014 - £76,813,000) and a deficit in the year of £2,147,000 (2014 - deficit of £2,230,000).

# Notes to the Financial Statements

For the year ended 31 August 2015

## 20. Debtors

	2015 £000	2014 £000
Trade debtors	301	885
Amounts owed by group undertakings	838	140
Other debtors	11,137	9,596
Prepayments and accrued income	1,398	1,414
	<u>13,674</u>	<u>12,035</u>

## 21. Creditors:

### Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	3,198	5,587
Other taxation and social security	2,587	2,507
Other creditors	4,769	3,145
Accruals and deferred income	5,852	3,116
	<u>16,406</u>	<u>14,355</u>

### Deferred income

Deferred income at 1 September 2014	915
Resources deferred during the year	1,215
Amounts released from previous years	(915)
Deferred income at 31 August 2015	<u>1,215</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 2015

**22. Statement of funds**

	Brought forward £000	Incoming resources £000	Resources expended £000	Transfers in/out £000	Gains/(losses) £000	Carried forward £000
<b>Unrestricted funds</b>						
General funds	20,849	6,773	(4,550)	(4,685)	267	18,654
<b>Restricted funds</b>						
General Annual Grant	3,549	166,740	(170,289)	-	-	-
General Annual Grant	-	520	(520)	-	-	-
Other DfE/EFA Grants	-	8,986	(8,986)	-	-	-
Pupil Premium	-	11,811	(11,811)	-	-	-
Local Authority Grants	-	6,795	(6,795)	-	-	-
Pension reserve	(20,877)	(7,234)	(2,006)	-	(4,141)	(34,258)
	(17,328)	187,618	(200,407)	-	(4,141)	(34,258)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	411,146	12,883	(19,823)	4,685	-	408,891
Total restricted funds	393,818	200,501	(220,230)	4,685	(4,141)	374,633
Total of funds	414,667	207,274	(224,780)	-	(3,874)	393,287

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 Trust 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 2015. Note 2 discloses whether the limits were exceeded.

# Notes to the Financial Statements

For the year ended 31 August 2015

## 22. Statement of funds (continued)

Analysis of academies by fund balance at 31 August 2015:

	£000
Abbey Hey Primary Academy	(111)
Accrington Academy	84
Barnsley Academy	563
Beacon View Primary Academy	236
Carter Community School	233
Corngreaves Academy	137
Cravenwood Primary Academy	370
Glenmoor Academy	774
Goresbrook School	4,780
Grange Primary Academy	200
Hanwell Fields Community School	296
Head Office	(3,006)
High Hazels Academy - Infants	172
High Hazels Academy - Juniors	195
John Smeaton Academy	(801)
Kettering Buccleuch Academy	686
Lambeth Academy	1,554
Manchester Academy	1,527
Midhurst Rother College	(114)
North Oxfordshire Academy	906
Northampton Academy	782
Nova Hreod Academy	35
Paddington Academy	(1,052)
Richard Rose Central Academy	359
Richard Rose Morton Academy	(354)
Salford City Academy	1,063
Seahaven Academy	(77)
Sheffield Park Academy	1,311
Sheffield Springs Academy	(473)
Shoreham Academy	1,283
Silverdale Primary Academy	(81)
Southway Primary School	432
Stockport Academy	651
Swindon Academy	4,570
The Hurlingham Academy	587
The Regis School	(128)
The Victory Primary School	47
Walthamstow Academy	1,091
Wilberforce Primary	(317)
William Hulme's Grammar School	575
Winton Academy	(581)
Wye School	250
Total before fixed asset fund and pension reserve	18,654
Restricted fixed asset fund	408,891
Pension reserve	(34,258)
Total	393,287

# Notes to the Financial Statements

For the year ended 31 August 2015

## 22. 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	1,712	322	700	258	2,992
Accrington Academy	4,218	1,223	1,502	804	7,747
Barnsley Academy	3,226	685	1,759	624	6,294
Beacon View Primary Academy	1,164	239	407	176	1,986
Carter Community School	1,861	503	480	288	3,132
Central Academy	2,842	837	950	481	5,110
Corngreaves Academy	832	160	221	116	1,329
Cravenwood Primary Academy	1,424	120	593	311	2,448
Glenmoor Academy	1,818	308	927	244	3,297
Goresbrook School	426	62	519	81	1,088
Grange Primary Academy	631	173	338	134	1,276
Hanwell Fields Community School	1,191	256	260	151	1,858
Head Office	2,111	2,003	2,979	1,113	8,206
High Hazels Academy - Infants	632	125	166	48	971
High Hazels Academy - Juniors	621	132	373	206	1,332
John Smeaton Academy	3,155	527	2,159	1,418	7,259
Kettering Buccleuch Academy	4,626	1,053	1,743	706	8,128
Lambeth Academy	4,788	1,127	1,016	796	7,727
Manchester Academy	4,019	1,201	1,584	778	7,582
Midhurst Rother College	3,098	918	886	359	5,261
Morton Academy	2,114	581	491	381	3,567
North Oxfordshire Academy	3,831	1,020	950	611	6,412
Northampton Academy	5,268	1,210	1,498	667	8,643
Nova Hreod Academy	2,615	722	1,075	992	5,404
Paddington Academy	6,695	1,779	1,448	1,148	11,070
Salford City Academy	2,801	462	646	418	4,327
Seahaven Academy	1,965	473	440	184	3,062
Sheffield Park Academy	3,504	683	1,317	733	6,237
Sheffield Springs Academy	3,946	834	1,143	479	6,402
Shoreham Academy	5,590	1,126	1,192	913	8,821
Silverdale Primary Academy	589	131	157	93	970
Southway Primary School	1,762	287	373	324	2,746
Stockport Academy	2,746	622	631	532	4,531
Swindon Academy	5,426	814	3,421	1,346	11,007
The Hurlingham Academy	1,375	514	860	335	3,084
The Regis School	4,683	1,199	1,357	524	7,763
The Victory Primary School	1,675	402	522	222	2,821
Timbertree Academy	735	117	189	120	1,161
Walthamstow Academy	3,908	1,186	1,542	585	7,221
Wilberforce Primary	1,252	324	693	267	2,536

# Notes to the Financial Statements

For the year ended 31 August 2015

## 22. Statement of funds (continued)

William Hulme's Grammar School	4,199	1,019	1,360	756	7,334
Winton Academy	2,008	811	558	146	3,523
Wye School	604	107	249	332	1,292
	<u>113,686</u>	<u>28,397</u>	<u>41,674</u>	<u>21,200</u>	<u>204,957</u>

## 23. Analysis of net assets between funds

	Unrestricted funds 2015 £000	Restricted general funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	407,573	407,573	408,845
Stock market investments	18,654	(12,502)	1,318	7,470	7,082
Current assets	-	28,908	-	28,908	33,972
Creditors due within one year	-	(16,406)	-	(16,406)	(14,355)
Provisions for liabilities and charges	-	(34,258)	-	(34,258)	(20,877)
	<u>18,654</u>	<u>(34,258)</u>	<u>408,891</u>	<u>393,287</u>	<u>414,667</u>

## 24. Net cash flow from operations

	2015 £000	2014 £000
Net incoming/(outgoing) resources before revaluations	(17,198)	37,809
Returns on investments and servicing of finance	(236)	(220)
Realised gains	(308)	(277)
Depreciation of tangible fixed assets	14,598	14,315
Deficit on disposal of tangible fixed assets	5,224	-
Capital grants from DfE	(7,543)	(4,027)
Assets transferred on conversion	(5,340)	(49,411)
Increase in debtors	(1,642)	(3,607)
Increase in creditors	2,054	4,163
FRS 17 adjustments	9,240	4,916
Net cash (outflow)/inflow from operations	<u>(1,151)</u>	<u>3,661</u>

## 25. Analysis of cash flows for headings netted in cash flow statement

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	<u>236</u>	<u>220</u>



# Notes to the Financial Statements

For the year ended 31 August 2015

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

	2015 £000	2014 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(13,210)	(5,051)
Purchase of listed investments	(121)	(359)
Capital grants	7,543	4,027
<b>Net cash outflow capital expenditure</b>	<b>(5,788)</b>	<b>(1,383)</b>

## 26. Analysis of changes in net funds

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	21,937	(6,703)	-	15,234
<b>Net funds</b>	<b>21,937</b>	<b>(6,703)</b>	<b>-</b>	<b>15,234</b>

## 27. Conversion to an academy status and transfers in of existing academies

On the dates as shown, the 3 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.

On 1 September 2014, two existing academies also joined the trust, Richard Rose Morton Academy and Richard Rose Central Academy, previously part of the Richard Rose Federation.

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 2015

## 27. Conversion to an academy status and transfers in of existing academies (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 general funds £000	Restricted fixed asset funds £000	Total funds £000
Leasehold land and buildings - new converter academies	-	-	5,340	5,340
Budget surplus on LA funds - new converter academies	-	1,084	-	1,084
LGPS pension deficit - new converter academies	-	(2,436)	-	(2,436)
LGPS pension deficit - transfer in of existing academies	-	(4,856)	-	(4,856)
Other identified assets and liabilities - transfers in of existing academies	-	1,689	-	1,689
Net assets/(liabilities)	-	(4,519)	5,340	821

	Buildings £000	LA Funds £000	Restricted funds £000	LGPS £000
High Hazel Juniors (January 2015)	703	68	-	(708)
High Hazel Infants (January 2015)	1,391	48	-	(843)
The Hurlingham Academy (January 2015)	3,246	968	-	(889)
Richard Rose Central Academy (September 2014)	-	-	1,013	(2,914)
Richard Rose Morton Academy (September 2014)	-	-	676	(1,942)
Total	5,340	1,084	1,689	(7,296)

## 28. Capital commitments

At 31 August 2015 the Academy Trust had capital commitments amounting to £22,917k.

# Notes to the Financial Statements

For the year ended 31 August 2015

## 29. 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 2013.

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

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until

# Notes to the Financial Statements

For the year ended 31 August 2015

## 29. Pension commitments (continued)

the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £9.9m (2014: £9.2m).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £6.5m, of which employer's contributions totalled £4.8m and employees' contributions totalled £1.7m. 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.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(106,347)	(81,215)
Fair value of scheme assets	72,089	60,338
Net liability	<u>(34,258)</u>	<u>(20,877)</u>

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

	2015 £000	2014 £000
Current service cost	(6,809)	(4,951)
Interest on obligation	(3,868)	(2,791)
Expected return on scheme assets	3,852	2,791
Past service cost	(87)	(232)
Total	<u>(6,912)</u>	<u>(5,183)</u>

# Notes to the Financial Statements

For the year ended 31 August 2015

## 29. Pension commitments (continued)

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

	2015 £000	2014 £000
Opening defined benefit obligation	81,215	52,365
Current service cost	6,809	4,951
Interest cost	3,868	2,791
Contributions by scheme participants	1,755	1,415
Actuarial losses	3,145	10,515
Past service costs	48	142
Losses on curtailments	39	90
Liabilities assumed in a business combination	11,179	9,728
Benefits paid	(917)	(568)
Business combinations	(794)	(214)
Closing defined benefit obligation	<u>106,347</u>	<u>81,215</u>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	60,338	41,716
Expected return on assets	3,852	2,791
Actuarial gains and (losses)	(996)	5,203
Contributions by employer	4,906	3,591
Contributions by employees	1,755	1,415
Assets acquired in a business combination	3,625	6,402
Benefits paid	(917)	(568)
Business combinations	(474)	(212)
	<u>72,089</u>	<u>60,338</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £3,585,000 (2014 - £4,618,000).

The Academy Trust expects to contribute £5,182,700 to its Local Government pension schemes in 2016.

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

	2015	2014
Equities	61.50 %	62.70 %
Bonds	17.10 %	17.20 %
Property	8.50 %	7.60 %
Cash	3.40 %	3.60 %
Other	3.20 %	3.30 %

## Notes to the Financial Statements

For the year ended 31 August 2015

**29. Pension commitments (continued)**

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

	2015	2014
Discount rate for scheme liabilities	3.68 %	3.68 %
Expected return on scheme assets at 31 August	2.71 %	5.46 %
Rate of increase in salaries	3.91 %	3.87 %
Rate of increase for pensions in payment / inflation	2.40 %	2.42 %
Inflation assumption (CPI)	2.26 %	2.42 %

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

	2015	2014
Retiring today		
Males	21.4 - 24.4	21.4 - 24.4
Females	24.0 - 26.5	24.0 - 26.5
Retiring in 20 years		
Males	24.0 - 26.5	24.0 - 26.5
Females	26.6 - 28.5	26.6 - 28.5

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

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(106,347)	(81,215)	(52,365)	(40,418)	(26,850)
Scheme assets	72,089	60,338	41,716	30,878	24,578
Deficit	(34,258)	(20,877)	(10,649)	(9,540)	(2,272)
Experience adjustments on scheme liabilities	-	-	-	(100)	(263)
Experience adjustments on scheme assets	(996)	5,203	3,588	(98)	(126)

# Notes to the Financial Statements

For the year ended 31 August 2015

## 30. Operating lease commitments

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

		Land and buildings		Other
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Within 1 year	27	254	305	161
Between 2 and 5 years	211	-	343	515
After more than 5 years	1,912	1,912	-	4
	<u>1,912</u>	<u>1,912</u>	<u>-</u>	<u>4</u>

## 31. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The Academy Trust has taken advantage of the exemption conferred in Financial Reporting Standard 8 (FRS 8) not to disclose transactions with other members of the group headed by United Church Schools Foundation.

## 32. Post balance sheet events

On 1 September 2015 the Charitable Company welcomed into the Group Walthamstow Primary Academy.

The Charitable Company disposed of shares held in Promethean World PLC on 24 September 2015, the proceeds of £1m were received on the 2 October 2015:

## 33. 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.

## Notes to the Financial Statements

For the year ended 31 August 2015

### **34. Member's liability**

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