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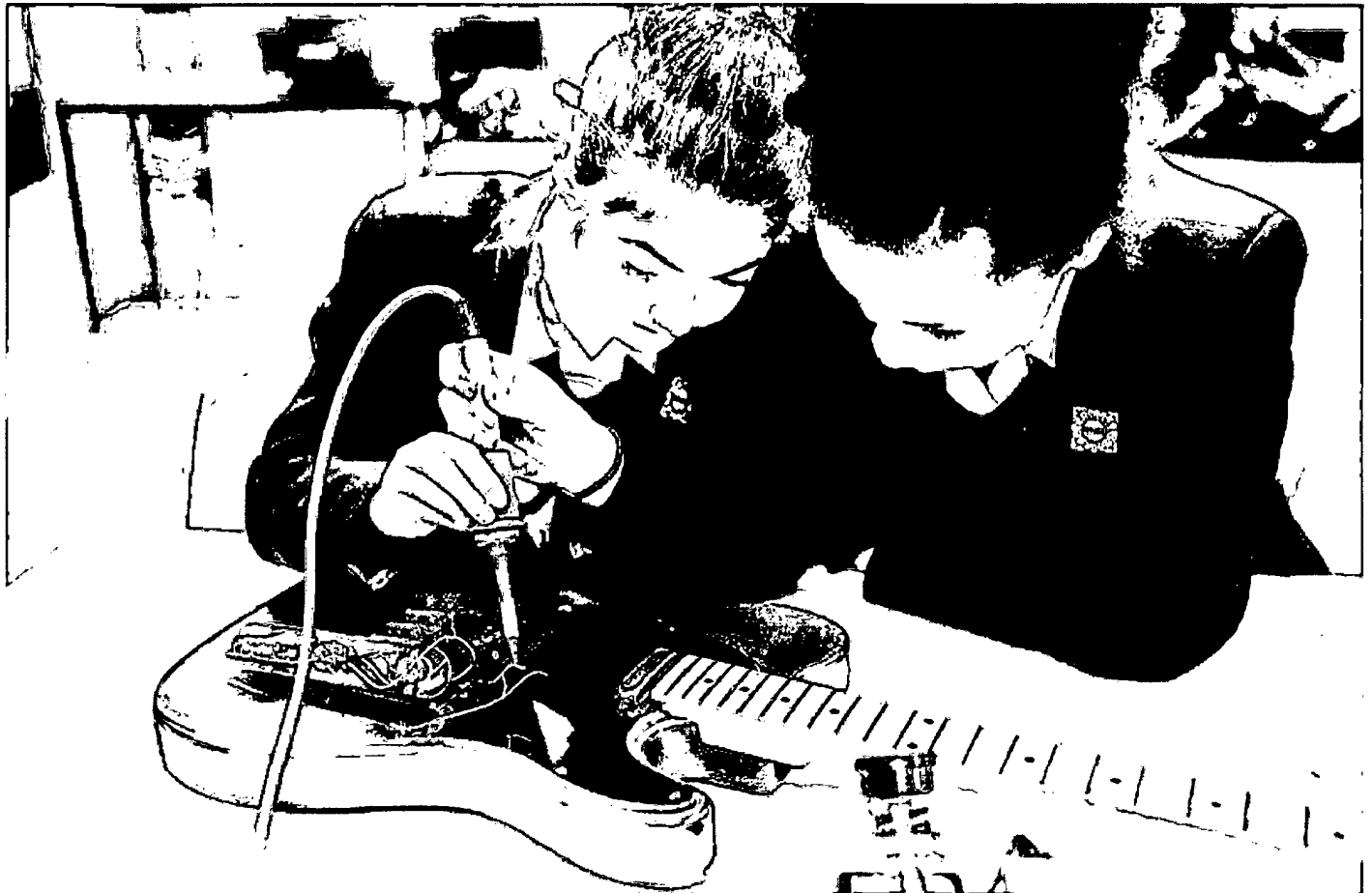


Academy  
Trust

# Financial Statements

## GDST Academy Trust

For the year ended 31 August 2015



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COMPANIES HOUSE

Company No: 06000347 (England and Wales)

Charitable Company limited by guarantee exempt from registration

## **Contents**

	<b>Page</b>
<b>Reference and Administrative Details</b>	<b>3</b>
<b>Trustees' report</b>	<b>4</b>
<b>Governance statement</b>	<b>15</b>
<b>Statement on regularity, propriety and compliance</b>	<b>19</b>
<b>Statement of trustees' responsibilities</b>	<b>20</b>
<b>Independent auditor's report to the members of GDST Academy Trust</b>	<b>21</b>
<b>Independent reporting accountant's assurance report on regularity to GDST Academy Trust and the Education Funding Agency</b>	<b>23</b>
<b>Statement of financial activities</b>	<b>25</b>
<b>Balance sheet</b>	<b>26</b>
<b>Cashflow statement</b>	<b>27</b>
<b>Notes to the financial statements</b>	<b>28</b>

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Board of Trustees (Academy Trust Board)</b>	<b>Position</b>
Juliet Humphries	Chair
Tom Beardmore-Gray	* Member
Helen Fraser	Member
Joanna Greenslade (appointed 01/09/15)	* Member
Robert Gillies (resigned 27/11/14)	Member
Alison Kinman-Carroll (appointed 05/03/15)	Member
Nigel Lawrence	Member
Simon Martin	* Member
Jane Richardson (resigned 31/08/15)	* Member
Helen Williams	Member

\* denotes member of the ATB Finance, Audit and Risk Committee

### Academy Principals

Mrs C Mann	Birkenhead High School Academy
Mr P M Kennedy	Belvedere Academy

**Company Number** 6000347

**Company Secretary** Mrs C. Hoare

**Principal & Registered Office:** 100 Rochester Row  
Victoria  
LONDON  
SW1P 1JP

**Auditors:** Grant Thornton UK LLP  
Chartered Accountants,  
Registers Auditors  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Bankers:** The Royal Bank of Scotland  
9<sup>th</sup> Floor  
280 Bishopsgate  
LONDON  
EC2M 4QN

**Solicitors:** Withers LLP  
16 Old Bailey  
London  
EC4M 7EY

## **TRUSTEES' REPORT**

The trustees of the GDST Academy Trust ('the Academy Trust'), who are also directors of the Academy Trust for the purposes of the Companies Act, present their statutory report and the audited accounts for the year ended 31 August 2015. Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

The financial statements have been prepared in accordance with the accounting policies on pages 28 to 31 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005). The report has been prepared in accordance with the Charities Act 2011.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy Trust is a company limited by guarantee (No.6000347) and is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust. Membership of the Academy Trust comprises the following:-

- The Girls' Day School Trust (the initial subscriber and principal sponsor)
- The holders of the offices of Chairman and Deputy Chairman of the Girls' Day School Trust *ex officio*

The Secretary of State for Education (DfE) has the right to appoint one person to the membership of the Academy Trust. This right has not yet been exercised.

The members may unanimously agree to appoint such additional members as they think fit.

### **Principal Activities**

The Academy Trust operates two academies for girls, namely The Belvedere Academy ('Belvedere') in Liverpool and Birkenhead High School Academy ('BHSA') on the Wirral to:-

- advance education for the public benefit and
- to promote for the benefit of the public/social welfare the provision of facilities for recreation or other leisure time occupation

## **TRUSTEES' REPORT**

### **Members' liability**

Each member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member for the payment of the Trust's debts and liabilities contracted before he or she ceases to be a member.

### **Trustees**

The Academy Trust has provision for the following trustees (governors):

- The Girls' Day School Trust (initial subscriber and principal sponsor) may appoint up to ten sponsor trustees;
- The Chair of each academy's Local Governing Body, provided that the number does not exceed three.

All trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as trustee. During the period, the trustees held 4 meetings.

Trustees receive no remuneration or benefits in respect of their duties as trustees but are reimbursed for expenses incurred in carrying out their duties

In accordance with normal commercial practice, the Academy Trust purchases insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The cost of this insurance is included in the total insurance cost, details of which are shown in note 11 to the financial statements.

Under the terms of the Academy Trust's Memorandum, the Academy Trust may enter into a contract for the supply of goods or services with the Girls' Day School Trust or any of its subsidiaries at any time when a trustee is a member or employee of the Girls' Day School Trust or such trading subsidiary. Goods or services acquired under such a contract must actually be required by the Academy Trust, the level of remuneration must be reasonable in relation to the value of the goods or services and no trustee (or connected person) shall have a pecuniary interest which conflicts with the Academy Trust's interests. The Academy Trust has entered into an agreement with the Girls' Day School Trust to provide particular services on this basis (described in note 26 to the financial statements).

### **Organisational structure**

The organisational structure consists of three levels: the Academy Trust Board (the trustees/governors); in addition, each academy within the Trust will have a Local Governing Body and a Senior Management Team.

## **TRUSTEES' REPORT**

The Academy Trust Board (the ATB) is responsible for the overall strategic direction of each academy and for those statutory duties which may not be delegated to sub-committees. The principal roles of the ATB are:

- to set the Trust's strategy;
- to monitor each academy's performance against key performance indicators;
- to maintain the financial stability of the Trust;
- to review the Trust's policies and procedures that provide internal control and mitigate risk.

The Local Governing Bodies (LGBs) are committees of the Academy Trust Board (ATB). Legal responsibility for the Academy Trust lies with the ATB but the ATB relies on advice and support from the LGBs. The key purposes of the LGBs are:

- to monitor the academy's financial and academic performance;
- to develop strategic policies which reflect the academy's vision and ethos;
- to promote the academy and foster links with the local community.

The Senior Management Team of each academy will typically include the Principal, Vice Principals, Assistant Vice Principals, Finance Director, Administration Manager, Estates Manager and ICT Manager. These managers control the academy at an executive level implementing the policies approved by the Academy Trust Board.

### **Connected Organisations**

The Academy Trust works closely with its principal sponsor, the Girls' Day School Trust, its co-sponsor of the Belvedere Academy, the HSBC Education Trust, the DfE, the Education Funding Agency, the Local Education Authorities and other local organisations.

## **OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT**

The principal objective of the Academy Trust is to advance for the public benefit, education by establishing, maintaining, operating and developing schools including but not limited to academies offering a broad curriculum with a strong emphasis on the specialisms specified in the relevant Funding Agreements. In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The catchment area for the Belvedere Academy is Merseyside and the surrounding areas, whilst that for the Birkenhead High School Academy is Wirral and the surrounding areas. Each academy's admissions policy is included in its Funding Agreement and applications for places at the academies are made in accordance with the relevant local authority's co-ordinated admission arrangements.

The Academy Trust aims to work with others to create a healthy, safe environment within which all of its pupils can enjoy learning, make progress and achieve high standards. Each

## **TRUSTEES' REPORT**

pupil is encouraged to participate fully and make a positive contribution to their academy and the wider community and ultimately become successful, motivated, well-adjusted adults who achieve economic well-being.

In addition, the Academy Trust promotes for the benefit of the public/social welfare the provision of facilities for recreation or other leisure time occupation.

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

The period covered by these financial statements reflects the eighth full year of operation of the Belvedere Academy and the sixth full year for the Birkenhead High School Academy. The following paragraphs present a review of the significant activities undertaken by the Trust during the year to further its charitable purposes for public benefit.

#### **Pupil Numbers**

Demand for entry to both academies remains strong with applications far exceeding the available number of places in the Junior and Senior schools.

Pupil numbers at Birkenhead High School Academy continue to rise and are currently at 386 in Juniors, 534 in Seniors and 166 in the Sixth Form, making a total of 1086 versus 1023 in September 2014. The rise in numbers is largely as a result of the increased Junior Pupil Admission Number (PAN) which was effective from September 2015 with 52 and 109 pupils being admitted to Juniors and Seniors respectively. There has been a particular focus on the Sixth Form and with the second Academy cohort completing Year 11, Year 12 now stands at 97, with 20 students joining from external feeder schools for 2015/16.

Belvedere Academy is now approaching capacity and pupil numbers increased from 839 at September 2014 to 847. Sixth Form numbers continue to be healthy at 221 (September 2014: 225) with 29 being from external schools, whilst the Year 7-11 total rose from 614 (September 2014) to 626.

#### **Academic results**

Examination results at all key stages were outstanding and place the academies well above national expectations.

Birkenhead High School Academy – At GCSE level, 38% of students attained A\*/A (2013/14: 32%). In terms of 5 A\*- C grades including English and Maths, BHSA outperformed national figures by 24% with 79% (2013/14: 84%) of students attaining this standard. As a measure of progress at GCSE level, the Academy's value added figure increased for the third year running to an impressive 1046 (For DfE value added, a figure of 1,000 represents progress as

## **TRUSTEES' REPORT**

expected). BHSA students also outperformed similar students in other schools by over two thirds of a grade, as shown by the new Progress 8 performance measure of 0.66.

At 'A' level 27% of all grades were at A\*/A (2013/14: 30%) with 58% at A\*- B (2013/14: 54%). The overall pass rate at A2 was 99.3% (2013/14: 99.1%).

Belvedere Academy – At GCSE level, the number of students achieving higher grades increased, with 32% of all grades at A\*/A (2013/14: 24%). An impressive 86% (2013/14: 83%) of girls achieved at least 5 A\*- C grades (including English and Maths).

Belvedere students continue to make excellent progress at the end of Key Stage 4 with the current unvalidated Progress 8 score at 0.2.

Results at 'A' level were similarly impressive with 53% (2013/14: 53%) of all grades at A\*- B. Performance at the top end also improved with 25% (2013/14: 21%) of all grades at A\*/A. The overall pass rate at A2 level was 99% (2013/14: 99.6%).

To put these results into a regional context, both academies appear in the list of the top ten schools on Merseyside/Wirral for pupils achieving at least 5 GCSE A\*- C grades (including English & Maths). As the other eight schools are selective, this makes the academies the top performing non-selective schools in the region.

At Early Years at BHSA, 73% of students achieved a 'good level of development' compared with 66% nationally. At Key Stage 1, the average point score for reading, writing and maths combined rose to 18.0, significantly higher than the national score by 1.9. At Key Stage 2, 93% of students achieved or surpassed level 4 in reading, writing and maths, with 41% of BHSA students achieving or surpassing level 5. Both of these were significantly higher than the national figures of 80% and 24% respectively. The value added score for Key Stage 2 for all subjects was 101.1 (above the national norm), whilst the value added score for writing of 101.6 places BHSA in the 6<sup>th</sup> percentile nationally.

### **OFSTED Inspections**

Belvedere Academy received its second full OFSTED inspection at the end of January 2015 and was once again judged to be outstanding. Leadership and Management, Behaviour and Safety, Quality of Teaching, Achievement of Pupils, the Sixth Form and overall effectiveness were all Grade 1 or outstanding. The OFSTED inspectors were impressed with the quality of all aspects of work at Belvedere, stating that:-

"The Principal, governors and senior leadership team provide outstanding leadership which has guided the academy successfully through a period of significant change."

"Students' behaviour is impeccable. They are courteous and polite, relate very well to each other and to adults and are very happy at the academy"

"Teaching is of a high quality. Teachers have high expectations of all students."

"Students' achievement is outstanding. Students make rapid progress in a wide range of subjects."



## **TRUSTEES' REPORT**

Birkenhead High School Academy received its second full OFSTED inspection in October 2015 and was also judged to be outstanding in all areas with the inspectors commenting that:-

"Leaders, staff and governors have contributed to the transformation of this all-through academy into a high achieving and pulsating community of learning, aspiration and endeavour."

"Uniformly high-level teaching skills enable all girls to deliver of their best and seek to be even better."

"The behaviour of girls is exemplary. They support each other exceptionally well."

"Throughout the school, from the youngest to the oldest, the girls embrace learning."

"Outcomes for girls at all phases of education are excellent."

### **Building Programmes / Capital Developments**

Having been successful in a bid to the 2014/15 EFA Academies' Condition Improvement Fund (CIF), BHSA is currently undergoing works to enable the junior site to safely accommodate 26 students per class and to replace a deteriorating roof. The Local Authority, the GDST, the Parents' Association, the Old Girls' Association and the Academy together contributed £126,000 to the total project cost of £628,000 with the CIF providing £502,000. The works commenced in July 2015 and completion is scheduled for January 2016.

Following a successful bid to the National Heritage Lottery Fund in 2015, BHSA has refurbished the World War 2 air raid shelters on the school site, and held the grand opening of the 'Reliving the Blitz' experience in October 2015. Local schools and community groups will join the academy's own students in visiting the shelters to learn about all aspects of war time experience.

Belvedere Academy embarked on the first phase of some much needed landscape improvements. With the support of a £16,000 contribution from the GDST, the gardens at the rear of House 17 were completely re-laid and re-planted. A lottery grant of £9,250 was also secured from the Big Lottery Fund to provide additional seating areas for the pupils.

At the end of the year, the academies' main sponsor, the GDST, undertook a multi-million pound project to upgrade the Wi-Fi system across all of its schools. As part of this project, the GDST replaced the Wi-Fi equipment at both academies at an estimated cost of £100,000 per academy. Pupils and staff are now benefiting from the significantly improved Wi-Fi access and communication speeds.

Belvedere Academy's Parental Contribution Scheme is now in its third year and will have generated a total of £31,000 by the end of 2015/16 to support capital projects across the school. BHSA launched its Parental Contribution Scheme in 2015 and this has made a promising start.

## **TRUSTEES' REPORT**

### **Specialisms**

Birkenhead High School Academy's specialisms of Music and Maths continue to be at the heart of the Academy's provision. The academy held its annual Music festival, which again saw more than 200 entries, and the school's various ensembles have performed throughout the year, but of particular note were the performances at the Prize Giving at Liverpool Cathedral and the Radio City Christmas Concert again at the Anglican Cathedral. Following positive feedback, the Academy has continued its very successful scheme to enable every year 5 and 7 student to learn a musical instrument, a commitment designed to instill confidence, concentration and composure. The Senior Maths department has continued close liaison with the Junior Maths Co-ordinator to ensure smooth transition, and the provision of stretch and challenge for the most able; the Academy continues to host the local Year 5 'Maths Extravaganza'; students from KS3,4 and 5 take part in the UKMT Individual Challenge as well as in the team event. Further Maths GCSE has been introduced for the most able Mathematicians and provision of post 16 Maths is now formally part of the curriculum.

Belvedere Academy offers Modern Foreign Languages and Science as its specialisms and selects 10% of applications for Year 7 for their potential to excel in languages. Students are able to take advantage of a wide range of additional opportunities via the Academy's extensive Enrichment programme which offers booster sessions in French and Spanish plus classes in Mandarin, Arabic and Italian. During the year pupils enjoyed a trip to Granada whilst work experience was also organised in France and Spain.

The Enrichment STEM Club (Science, Technology, Engineering and Mathematics) is attended by students from all year groups. In the past year representatives from many fields of science and engineering have inspired the students with talks and demonstrations related to their work. Year 8 and 9 students represented the Academy at the STEM Challenge Day at Hope University and the Salter's Festival of Chemistry at Liverpool University. The pupils maintained the Academy's excellent reputation with winning performances at both events. In July 2015, Belvedere hosted the Ogden Trust/Liverpool University 'Science Olympics' and the event was very well received by teachers from the Ogden Trust partnership schools.

## **FINANCIAL REVIEW**

The financial position of the Academy Trust is detailed in the following pages.

Most of the Academy Trust's income is obtained from the Education Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital grants and donations received from the Education Funding Agency and sponsors during the year amounted to £300,372 (2014 £448,408). In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005),

## **TRUSTEES' REPORT**

such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful life of the assets concerned. The depreciation charge for the year on these assets was £1,119,520 (2014 £1,104,407).

Recurrent grants of £9,241,449 (2014 £9,068,740) were received from the Education Funding Agency, Local Authorities and other Government bodies. Expenditure covered by these grants amounted to £9,873,215 (2014 £9,508,914). Such grants and expenditure are shown in the restricted general fund in the Statement of Financial Activities.

Unrestricted income and expenditure in the period amounted to £884,614 (2014 £737,610) and £616,904 (2014 £529,060) respectively.

At 31 August 2015 the net book value of fixed assets was £32,676,060 (2014 £33,511,940) and movements in fixed assets are shown in Note 12 to the financial statements. The cost of fixed asset additions in the year amounted to £311,368 (2014 £519,324).

### **Reserves policy**

The Academy Trust Board reviews the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the trustees' current policy to maintain a minimum level of reserves of £500,000 and to build up free reserves which can be used for future education purposes in line with each academy's development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the DfE.

Having taken account of the risks to which the Trust is exposed, the trustees consider the current level of reserves to be appropriate. Free Reserves at the end of the period amounted to £1,200,077.

As both academies are on census based pupil number funding, the Academy Trust is not subject to any limit on the amount of General Annual Grant that may be carried forward, thus allowing the trustees to ensure that adequate reserves may be built up.

In accordance with Accounting Standard FRS17, it is necessary to charge projected pension scheme deficits to the Restricted General Fund for those pension schemes where the assets and liabilities of the scheme can be separately identified. This has resulted in a reduction in restricted reserves of £868,000. It should be noted that this is a potential liability which has not crystallised and has no immediate impact on the Academy Trust's liquidity.

### **Investment Policy**

The trustees have authorised the use of short term deposit accounts and notice deposit accounts in respect of cash held which is surplus to immediate requirements.

## **TRUSTEES' REPORT**

### **Principal Risks and Uncertainties**

The trustees are responsible for the management of the risks to which the Academy Trust is exposed and are assisted in this task by the Local Governing Bodies, the Senior Management Teams of the academies and the specialist Health and Safety and Human Resource advisors at the Girls' Day School Trust (the main sponsor).

The Trust's risk management procedures have been reviewed during the year and the trustees are satisfied that the major risks identified have been considered by the trustees and processes have been established to manage those risks where necessary. As a result of their risk assessment, the trustees consider that the key risks facing the Trust arise from;

- Continuing changes to funding formulas which have increased the risk that the Academy Trust will have insufficient funds in the long term to support the required academies offer.
- Pupil numbers being insufficient to meet the Pupil Admission Number (PAN) resulting in the academies being undersubscribed in the long term.

### **Going Concern**

After making appropriate enquiries, the ATB 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.

## **PLANS FOR FUTURE PERIODS**

### **Birkenhead High School Academy**

The budget for the 2015/16 academic year has been set and agreed by the trustees and is expected to give rise to an in year deficit of £285,000 which will be covered by reserves brought forward. It is the trustees' intention to achieve a balanced budget for 2016/17 and the academy's senior management team is currently reviewing areas for cost saving and income generation.

In accordance with the new Admissions Code, BHSA increased its Pupil Admission Number (PAN) for the 2015/16 intake to 52 in Junior School and 108 in Senior School. The Academy intends to consult on increasing the PAN further to 56 in the Junior School from September 2017 and is also exploring the feasibility of increasing the Senior School PAN through a five form entry at Year 7.

Birkenhead High School Academy is unique on the Wirral. It offers girls from the age of 3 to 19 years the opportunity to develop into confident, articulate, aspiring and responsible young women equipped to tackle cheerfully whatever life throws at them and to forge an exciting and fulfilling future for themselves.

## **TRUSTEES' REPORT**

In order to maintain and develop this vision further, the key priorities are identified as: –

- Teaching must be consistently good or better across the academy
- Progress – for all students, but in particular vulnerable groups, KS5 and KS2 progress
- Student recruitment and appropriate pathways
- Behaviour FOR learning
- Inclusion – classroom management and personalised provision for ever more diverse cohorts
- Financial and operational efficiency

### **Belvedere Academy**

The 2015/16 budget, as approved by the trustees, indicates an in year deficit of £182,000 which will be covered by reserves brought forward. As with BHSA, the trustees require Belvedere to set a balanced budget for 2016/17 and the Academy's senior management team will be looking at ways to achieve this.

Belvedere has applied to increase its Pupil Admission Number from 120 to 130 from September 2016.

The over-arching objective of the Academy's development plan which covers 2014/15 to 2015/16 is 'Staying Outstanding'. In order to maintain this status, the key areas of focus have been identified as:-

- Teaching and learning
- Sixth Form
- Curriculum and assessment
- Safeguarding and wellbeing

## **EQUAL OPPORTUNITIES POLICY**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

## **DISABLED PERSONS**

The policy of the Academy Trust is to support the recruitment and retention of pupils and employees with disabilities. Disabled employees are accorded equal opportunities for training, career development and promotion.

**TRUSTEES' REPORT**

## **AUDITORS**

**Statement as to disclosure of information to Auditors**

Grant Thornton UK LLP were appointed as auditors to the Academy Trust in February 2014.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the Academy Trust's auditors are unaware. They have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Academy Trust's auditors are aware of that information.

The report of the Trustees, incorporating a strategic report was approved by the Trustees on 8 December 2015 and signed on their behalf by:



**Chair of the Academy Trust Board**

## **TRUSTEES' REPORT**

### **GOVERNANCE STATEMENT**

#### **Scope of Responsibility**

The trustees acknowledge that they have overall responsibility for ensuring that the Academy 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 Academy Trust Board has delegated the day-to-day responsibility to the Principals 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 agreements between the Academy Trust and the Secretary of State for Education. The Principals act as the Accounting Officers and advise the Academy Trust Board of any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Academy Trust Board has formally met four times during the year and the Finance, Audit and Risk Committee has met four times. Attendance during the year at meetings was as follows:

<b>Academy Trust Board Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Juliet Humphries	4	4
Tom Beardmore-Gray	3	4
Helen Fraser	4	4
Joanna Greenslade (appointed 01/09/15)	0	0
Robert Gillies (resigned 27/11/14)	0	1
Alison Kinman-Carroll (appointed 05/03/15)	1	1
Nigel Lawrence	2	4
Simon Martin	3	4
Jane Richardson (resigned 31/08/15)	4	4
Helen Williams	3	4

<b>ATB Finance, Audit and Risk Committee Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jane Richardson (resigned 31/08/15)	4	4
Tom Beardmore-Gray	3	4
Simon Martin	4	4

## **TRUSTEES' REPORT**

### **Review of Value for Money**

As Accounting Officers the Principals have responsibility for ensuring that the academies deliver good value in the use of public resources. The Accounting Officers understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officers consider how the academies' use of their resources has provided good value for money during each academic year and report to the Academy Trust Board where value for money can be improved, including the use of benchmarking data where available. Examples of areas where the Accounting Officers have delivered improved value for money during the year include:-

- BHSA made a successful bid to the Academies' Condition Improvement Fund (CIF) in 2014/15, securing £502,000 of CIF funds and £70,000 from other sponsors. This has enabled the Academy to expand the Junior School site to safely accommodate an increased number of pupils, thereby generating additional pupil number funding of £84,000 per annum with no increase in revenue costs. The works also include the replacement of a deteriorating roof, thus saving on the recurring maintenance costs.
- Belvedere Academy carried out a voluntary severance scheme, the cost of which amounted to £40,000 in 2014/15 but which will generate annual savings of £70,000 from 2015/16 onwards.
- Both BHSA and Belvedere have recruited apprentices via the National Apprentice Scheme to work in the Finance and IT Departments. The academies are benefiting from the additional staff support, whilst the young employees are gaining quality job related experience and formal qualifications.

### **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 controls is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal controls has been in place in the Academy Trust for the year ended 31 August 2015 and up to the date of the approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The trustees have 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 trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks and that this system has been in place for the year ended 31 August 2015 and up to the date of the



## **TRUSTEES' REPORT**

approval of the annual report and financial statements. This process is reviewed regularly by the trustees.

Risk registers are maintained at both Trust level and at individual academy level. Academy risk registers are reviewed on a termly basis by the LGBs and the ATB. The Trust risk register is reviewed annually by the ATB.

### **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 trustees;
- regular reviews by the trustees and the LGBs of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets and key performance indicators to measure financial and other performance;
- clearly defined purchasing (revenue purchase or capital investment) guidelines;
- detailed terms of reference for all committees;
- formal agendas for the ATB, ATB Finance, Audit & Risk Committee and LGB meetings (the minutes of the LGB meetings are reviewed by the ATB);
- delegation of authority and segregation of duties;
- formal written policies;
- policies and procedures required by law to protect the vulnerable;
- identification and management of risks.

The ATB Finance, Audit and Risk Sub-Committee is responsible for reviewing the Trust's risk management policies and procedures, including those relating to internal financial controls and the internal audit work planned to address those risks. The Trust has appointed the internal auditor of the Girls' Day School Trust to carry out a programme of internal checks and the Sub-Committee directs the work of the internal auditor to those areas of greatest risk. On an annual basis, the internal auditor reports to the ATB (through the Finance, Audit and Risk Sub-Committee) on the operation of the systems of control and on the discharge of the ATB's financial responsibilities. The internal audit carried out in the year ended 31 August 2015 did not identify any material control issues.

## **TRUSTEES' REPORT**

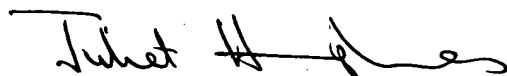
### **Review of Effectiveness**

As Accounting Officers, the Academy Principals have 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 ATB Finance, Audit and Risk Sub-Committee and internal audit function;
- the work of the external auditor;
- the financial management and governance self- assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officers have been advised of the implications of the result of their review of the system of internal control by the ATB Finance, Audit and Risk Committee and a plan to address any weaknesses and ensure continuous improvement of the systems is in place.

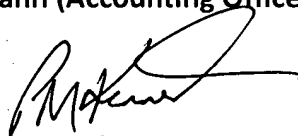
Approved by order of the trustees on 8 December 2015 and signed on their behalf by:



**(Chair of the Academy Trust Board)**

x 

**C Mann (Accounting Officer- Birkenhead High School Academy)**



**P Kennedy (Accounting Officer – Belvedere Academy)**

## **STATEMENT on REGULARITY, PROPRIETY and COMPLIANCE**

As accounting officer of the GDST Academy Trust academy named below, I have considered my responsibility to notify the Academy Trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreements in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies' Financial Handbook.

I confirm that I and the Academy Trust Board 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 agreements and the Academies' Financial Handbook.

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

**Date: 8 December 2015**



**C Mann**  
**Principal, Birkenhead High School Academy**



**P Kennedy**  
**Principal, Belvedere Academy**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP 2005;
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the trustees on 8 December 2015 and signed on their behalf by:



**Chair of the Academy Trust Board**



## Independent Auditor's Report to the Members of GDST Academy Trust

We have audited the financial statements of GDST Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

### **Respective responsibilities of Governing Body and Auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.



## Independent Auditor's Report to the Members of GDST Academy Trust

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report (incorporating the Strategic Report) for the financial period 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 Trustees' 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*

Joanne Love  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester

14 December 2015



## Independent Reporting Accountant's Assurance Report on Regularity to GDST Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 27 November 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 GDST Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of GDST Academy Trust's Accounting officer and the reporting accountant**

The Accounting Officers are responsible, under the requirements of GDST's funding agreement with the Secretary of State for Education dated 5 September 2007, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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



## Independent Reporting Accountant's Assurance Report on Regularity to GDST Academy Trust and the Education Funding Agency

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's income and expenditure.

The work undertaken to draw our conclusion includes:

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

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to the 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  
Manchester

Date: *14 December 2015*



**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2015 Total £'000	2014 Total £'000
<b>Incoming resources</b>						
<b><i>Income from generated funds</i></b>						
Voluntary income	2	76	-	141	217	392
Activities for generating funds	3	713	-	-	713	671
Investment income	4	13	-	-	13	14
<b><i>Income from charitable activities</i></b>						
Funding for the academies' educational operations	5	82	9,241	159	9,482	9,218
<b>Total incoming resources</b>		<b>884</b>	<b>9,241</b>	<b>300</b>	<b>10,425</b>	<b>10,295</b>
<b>Resources expended</b>						
<b><i>Costs of generating funds:</i></b>						
Fundraising trading	6	615	-	-	615	567
<b><i>Charitable activities</i></b>						
Academies' educational operations	7	1	9,856	1,120	10,977	10,616
Governance costs	8	-	17	-	17	19
<b>Total resources expended</b>		<b>616</b>	<b>9,873</b>	<b>1,120</b>	<b>11,609</b>	<b>11,202</b>
<b>Net incoming/(outgoing) resources before transfers</b>						
Gross transfers between funds	16	268	(632)	(820)	(1,184)	(907)
		-	-	-	-	-
<b>Net incoming/(outgoing) resources for the period</b>		<b>268</b>	<b>(632)</b>	<b>(820)</b>	<b>(1,184)</b>	<b>(907)</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	25	-	(162)	-	(162)	(227)
<b>Net movement in funds</b>		<b>268</b>	<b>(794)</b>	<b>(820)</b>	<b>(1,346)</b>	<b>(1,134)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	16	1,014	(159)	33,734	34,589	35,723
<b>Funds carried forward at 31 August 2015</b>		<b>1,282</b>	<b>(953)</b>	<b>32,914</b>	<b>33,243</b>	<b>34,589</b>

All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

A separate Statement of Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**The accompanying notes form part of these financial statements**

**BALANCE SHEET**

	Note	£'000	2015 £'000	2014 £'000
<b>Fixed assets</b>				
Tangible assets	12		<u>32,676</u> 32,676	<u>33,512</u> 33,512
<b>Current assets</b>				
Stocks	13	2		2
Debtors	14	467		389
Cash at bank		<u>3,093</u> 3,562		<u>2,926</u> 3,317
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,127)</u>		<u>(1,650)</u>
<b>Net current assets</b>			<u>1,435</u>	<u>1,667</u>
			<b>34,111</b>	
<b>Total assets less current liabilities</b>				35,179
Defined benefit pension scheme liability	25		<u>(868)</u>	<u>(590)</u>
<b>Net assets including pension scheme liabilities</b>			<u>33,243</u>	<u>34,589</u>
<b>Funds of the Academy</b>				
Restricted funds:				
Fixed asset funds	16	32,914		33,734
General funds	16	(85)		431
Pension reserve	16	<u>(868)</u>		<u>(590)</u>
Total restricted funds				<u>33,575</u>
Unrestricted funds:			31,961	
General funds	16	<u>1,282</u>		<u>1,014</u>
Total unrestricted funds				<u>1,014</u>
<b>Total funds</b>			<u>33,243</u>	<u>34,589</u>

The financial statements were approved by the Trustees, and authorised for issue on 8 December 2015 and are signed on their behalf, by:



**J Humphries**  
**Chair of the Academy Trust Board**

**CASH FLOW STATEMENT**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Net cash outflow from operating activities	20	<b>166</b>	<b>(4)</b>
Returns on investments and servicing of finance	21	<b>13</b>	<b>14</b>
Capital expenditure and financial investment	21	<b>(12)</b>	<b>(49)</b>
<b>Increase/(decrease) in cash in the year</b>	<b>22</b>	<b>167</b>	<b>(39)</b>

	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Reconciliation of net cash flow movement in net funds</b>		
Net funds at 1 September 2014	<b>2,926</b>	<b>2,965</b>
<b>Net funds at 31 August 2015</b>	<b>3,093</b>	<b>2,926</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

The principal accounting policies, all of which have been applied consistently throughout the year are:

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' revised in March 2005, the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006.

These financial statements include the results of the Belvedere Academy and Birkenhead High School Academy.

#### **Going concern**

The trustees have reviewed the Academy Trust's financial forecasts and at the point of signing the accounts the trustees are satisfied that the going concern basis is appropriate for the preparation of the accounts. This assessment has been made in respect of a period of not less than one year from the date of approval of the financial statements.

#### **Fund accounting**

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

Restricted funds comprise grants from the EFA/DfE and other donors which are to be used for specific purposes as explained in note 16.

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.

#### **Incoming resources**

##### **Grants receivable**

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Sponsorship income**

The value of sponsorship provided to the Academy Trust 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.

### **Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and the amount can be measured reliably.

### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy Trust in the period in which they are receivable and where the benefit can be measured reliably.

### **Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

### **Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

### **Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

### **Governance costs**

Governance costs include the costs attributable to the Academy Trust's compliance with statutory requirements, including audit, strategic management and trustees' meetings. Such costs include both direct and allocated support costs.

### **Costs of generating funds**

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

### **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy Trust was established are included in the accounts at cost net of depreciation and any provision for impairment. All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Donated assets are recognised in the financial statements at valuation.

Where fixed assets have been acquired with the aid of specific grants or donations, they are included in the balance sheet at cost or valuation and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

### **Depreciation**

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:-

Leasehold buildings and improvements	2% p.a.
Leasehold building refurbishments	10% p.a.
Furniture, fittings and equipment	25% p.a.
Computer equipment	25% p.a.
Motor vehicles	25% p.a.

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.

### **Stock**

Stocks are stated at the lower of cost and net realisable value.

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

### **Pensions**

Academy Trust staff are members of three pension schemes, all of which are defined benefit schemes. More details of the schemes are given in note 25.

#### **Teachers' Pension Scheme**

Full and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with an Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25 the TPS is a multi-employer scheme and the Academy Trust 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.

#### **Support staff pension schemes**

Support staff are offered membership of the Local Government Pension Scheme (LGPS) or the GDST Defined Benefits Pension Scheme.

The LGPS and GDST Defined Benefits Pension Schemes are funded schemes and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 until vesting occurs. The expected return on assets and the interest cost are shown as a net finance charge or credit to other finance costs. Actuarial gains and losses are recognised immediately in other gains and losses.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 VOLUNTARY INCOME**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>2015 Total £'000</b>	<b>2014 Total £'000</b>
EFA capital donation	-	69	<b>69</b>	297
Sponsor capital donation	-	24	<b>24</b>	32
Other capital donation	-	48	<b>48</b>	40
Sponsor revenue donation	56	-	<b>56</b>	21
Other donations	20	-	<b>20</b>	2
	<u>76</u>	<u>141</u>	<u><b>217</b></u>	<u>392</u>

**3 ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>2015 Total £'000</b>	<b>2014 Total £'000</b>
Hire of facilities	150	-	<b>150</b>	141
Catering income	418	-	<b>418</b>	391
Sundry income	30	-	<b>30</b>	33
Transport scheme income	115	-	<b>115</b>	106
	<u>713</u>	<u>-</u>	<u><b>713</b></u>	<u>671</u>



**NOTES TO THE FINANCIAL STATEMENTS**

**4 INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
Short term deposits	13	-	13	14

**5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	8,623	8,623	8,664
Start Up Grants	-	18	18	16
Other DfE grants	-	522	522	323
Capital grant	-	159	159	80
	-	9,322	9,322	9,083
<b>Other Government Grants</b>				
Other Government Grants	-	78	78	66
	-	78	78	66
<b>Other incoming resources</b>	82	-	82	69
	82	-	82	69
	82	9,400	9,482	9,218

**NOTES TO THE FINANCIAL STATEMENTS**

**6 RESOURCES EXPENDED**

	Non pay expenditure			2015	2014
	Staff costs	Premises	Other	Total	Total
	£'000	£'000	Costs £'000	£'000	£'000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	250	-	365	615	567
	<b>250</b>	<b>-</b>	<b>365</b>	<b>615</b>	<b>567</b>
Academy's educational operations					
Direct costs	6,938	511	430	7,879	7,764
Allocated support costs	1,309	1,366	423	3,098	2,852
	<b>8,247</b>	<b>1,877</b>	<b>853</b>	<b>10,977</b>	<b>10,616</b>
Governance costs including allocated support costs	-	-	17	17	19
	<b>8,497</b>	<b>1,877</b>	<b>1,235</b>	<b>11,609</b>	<b>11,202</b>

**Incoming/outgoing resources for the year include:**

	2015 £000	2014 £000
Operating leases	24	23
Fees payable to auditor		
- Audit	14	15
- Other services	-	3
Loss/(profit) on disposal of fixed assets	<b>28</b>	<b>1</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 7 EXPENDITURE BY CHARITABLE ACTIVITY

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	6,938	6,938	6,794
Depreciation	-	511	511	515
Educational supplies	-	154	154	174
Examination fees	-	149	149	133
Staff development	-	21	21	26
Other direct costs	-	106	106	122
<b>Total</b>	<b>-</b>	<b>7,879</b>	<b>7,879</b>	<b>7,764</b>
	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
<b>Allocated support costs</b>				
Support staff costs	-	1,309	1,309	1,175
Depreciation	-	609	609	589
Pupil recruitment and support	-	76	76	56
Maintenance of premises and equipment	-	229	229	253
Cleaning	-	29	29	33
Rates and utilities	-	352	352	299
Insurance	-	85	85	59
Printing, postage, stationery and telephone	-	91	91	85
Staff development - support staff	-	4	4	4
Other support costs	1	96	97	81
Security	-	63	63	61
Technology costs	-	105	105	98
Bank interest and charges	-	15	15	10
Legal and professional costs	-	34	34	49
	<b>1</b>	<b>3,097</b>	<b>3,098</b>	<b>2,852</b>
	<b>1</b>	<b>10,976</b>	<b>10,977</b>	<b>10,616</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**8 GOVERNANCE COSTS**

	Unrestricted funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
Legal and professional fees	-	1	1	2
Auditor's remuneration - audit of the financial statements	-	14	14	15
Other audit costs	-	2	2	2
	-	17	17	19

**9 a. STAFF COSTS**

	2015 £'000	2014 £'000
Wages and salaries	6,967	6,713
Social security costs	494	462
Other pension costs	1,000	906
	8,461	8,081
Supply teacher costs	36	40
Staff restructuring costs	-	71
	8,497	8,192

**b. Staff severance payments**

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £ nil (2013/14: £63,000). In 2013/14 three of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £8,000, £25,000 and £30,000.

**c. Staff numbers**

The average number of persons employed by the Academy Trust during the year, expressed as full time equivalents, was as follows:

	2015 Number	2014 Number
Charitable activities		
Teachers	124	129
Administration and support	85	83
Management	11	10
	220	222

## **NOTES TO THE FINANCIAL STATEMENTS**

### **STAFF COSTS (continued)**

#### **d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2015</b>	2014
	<b>Number</b>	Number
£60,001 - £70,000	<b>3</b>	1
£70,001 - £80,000	<b>1</b>	1
£80,001 - £90,000	-	-
£90,001 - £100,00	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	<b>1</b>	-
£130,001 - £140,000	-	-
£140,001 - £150,000	<b>1</b>	1

Five of the above six employees (2014: four) participated in the Teachers' pension scheme and one (2014: none) participated in the Local Government Pensions Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £65,714 (2013/14 : £52,128) to the Teachers' Pension Scheme and £8,680 (2013/14: nil) to the Local Government Pensions Scheme.

## **10 TRUSTEES' AND LOCAL GOVERNORS' REMUNERATION AND EXPENSES**

The Principals and staff Local Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Local Governors. The Trustees and Local Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their roles as Trustees and Local Governors. The Principals' remuneration is shown below. The staff Local Governors are not Trustees and hence their remuneration is not disclosed.

	<b>2015</b>	2014
	<b>£000</b>	£000
Principal – Belvedere Academy	144	142
Principal – Birkenhead Academy	122	114

The Trustees and Local Governors did not receive any payment from the Academy Trust during the year. (2013/14 £nil).

Related party transactions involving the Trustees are set out in note 26.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **11 TRUSTEES', LOCAL GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurances to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,040 (2013/14 - £2,108). The cost of this insurance is included in the total insurance cost.

### **12 TANGIBLE FIXED ASSETS**

	Leasehold improvements £'000	Long leasehold buildings £'000	Leasehold refurbishments £'000	Educational furniture and equipment £'000	Motor vehicles £'000	ICT equipment £'000	Total £'000
<b>Cost</b>							
At 1 September 2014	21,832	13,530	331	957	6	2,043	<b>38,699</b>
Additions	175	-	3	9	-	125	<b>312</b>
Disposals	-	-	-	-	-	(218)	<b>(218)</b>
At 31 August 2015	<u>22,007</u>	<u>13,530</u>	<u>334</u>	<u>966</u>	<u>6</u>	<u>1,950</u>	<b><u>38,793</u></b>
<b>Depreciation</b>							
At 1 September 2014	1,403	1,556	59	871	2	1,296	<b>5,187</b>
Provided in the year	436	271	33	41	4	335	<b>1,120</b>
Disposals	-	-	-	-	-	(190)	<b>(190)</b>
At 31 August 2015	<u>1,839</u>	<u>1,827</u>	<u>92</u>	<u>912</u>	<u>6</u>	<u>1,441</u>	<b><u>6,117</u></b>
<b>Net book value</b>							
<b>31 August 2015</b>	<u><b>20,168</b></u>	<u><b>11,703</b></u>	<u><b>242</b></u>	<u><b>54</b></u>	<u><b>-</b></u>	<u><b>509</b></u>	<b><u><b>32,676</b></u></b>
31 August 2014	<u>20,429</u>	<u>11,974</u>	<u>272</u>	<u>86</u>	<u>4</u>	<u>747</u>	<b><u>33,512</u></b>

### **13 STOCKS**

	2015 £'000	2014 £'000
Catering	<u>2</u>	<u>2</u>
	<u><b>2</b></u>	<u><b>2</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

**14 DEBTORS**

	2015 £'000	2014 £'000
EFA capital grants receivable	-	15
EFA other grants receivable	86	58
Amount due from The Girls' Day School Trust	16	14
VAT recoverable	206	155
Trade debtors	40	41
Other debtors	22	3
Prepayments and accrued income	97	103
	<u>467</u>	<u>389</u>

**15 CREDITORS:****Amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	119	118
Accruals and deferred income	792	413
Taxation and social security	270	263
Amounts due to The Girls' Day School Trust	822	745
Other creditors	124	111
	<u>2,127</u>	<u>1,650</u>

**DEFERRED INCOME**

	2015 £'000
Deferred income at 1 September 2014	101
Resources deferred in the year	465
Amounts released from previous years	<u>(101)</u>
Deferred income at 31 August 2015	<u>465</u>

## NOTES TO THE FINANCIAL STATEMENTS

## DEFERRED INCOME (continued)

At the balance sheet date the Academy Trust was holding funds received in advance relating to:

	2015 £'000	2014 £'000
Deferred EFA capital grants	366	21
Deferred EFA revenue grants	12	46
Funds received in advance for locker hire	3	2
Funds received in advance for pupil lunches	41	12
Deferred Bursary Fund	13	8
LA Nursery Funding	9	10
Deferred Heritage Fund Lottery Grant	15	-
Sundry	6	2
	<u>465</u>	<u>101</u>



**NOTES TO THE FINANCIAL STATEMENTS**

**16 FUNDS**

	Balance at 31 August 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, Losses & Transfer £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant	156	8,623	(8,866)	-	(87)
Start-Up Grant	198	18	(216)	-	-
Other EFA grants	-	522	(522)	-	-
LEA and other grants	75	78	(153)	-	-
Other restricted	2	-	-	-	2
Pensions reserve	(590)	-	(116)	(162)	(868)
	<u>(159)</u>	<u>9,241</u>	<u>(9,873)</u>	<u>(162)</u>	<u>(953)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	20,498	229	(774)	-	19,953
Private sector capital sponsorship	1,082	61	(54)	-	1,089
Capital expenditure from GAG	146	-	(17)	-	129
Local Authority capital grants	37	10	(4)	-	43
Private sector long leasehold grant	11,971	-	(271)	-	11,700
	<u>33,734</u>	<u>300</u>	<u>(1,120)</u>	<u>-</u>	<u>32,914</u>
<b>Total restricted funds</b>	<u>33,575</u>	<u>9,541</u>	<u>(10,993)</u>	<u>(162)</u>	<u>31,961</u>
<b>Unrestricted funds</b>	<u>1,014</u>	<u>884</u>	<u>(616)</u>	<u>-</u>	<u>1,282</u>
<b>Total funds</b>	<u>34,589</u>	<u>10,425</u>	<u>(11,609)</u>	<u>(162)</u>	<u>33,243</u>

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

The General Annual Grant must be used for the normal running costs of the academies within the Academy Trust. Section 3.10.1 of the Academies Financial Handbook removed the previous limits on the amount of General Annual Grant that may be carried forward for eligible academies (eligible academies being those that have moved to census based pupil number funding). Both Belvedere and Birkenhead Academy meet this criteria and hence the Academy Trust is not subject to a limit on the amount to GAG that can be carried forward.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FUNDS (continued)**

Start Up Grants are provided to support transitional costs for a period after an academy opens and to cover diseconomies of scale until an academy reaches its pupil number capacity. Start Up Grants may be carried forward until the end of the Start Up Period, with the Start Up Period being defined as 'the years before all age groups are present at their planned size'. Any grant remaining at the end of the Start Up Period is added to the GAG for carry over calculation purposes.

Local Authority grants relate to local authority funding for the provision of education by the academies within the Academy Trust.

The EFA capital grants are provided by the Government for specific capital purposes.

Sponsorship funds are those funds provided by the academies' sponsors for specific capital projects. The long leasehold grants relate to the capitalisation of the 99 year leases of the properties at Belvedere Road and Devonshire Place which were granted to the Academy Trust by The Girls' Day School Trust.

The transfer from the restricted general fund to the restricted fixed asset fund of £nil (2014: £36,862) represents the total capital expenditure funded from the General Annual Grant during the year.

### **Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £000</b>
Belvedere Academy	401
Birkenhead Academy	796
Central Services	-
<b>Total before fixed asset funds and pension reserve</b>	<u>1,197</u>
Restricted fixed asset funds	32,914
Pension reserve	(868)
<b>Total funds</b>	<u><u>33,243</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

## Analysis of Academies by cost:

	Teaching and Educational Support Staff costs £000	Other Support Staff costs £000	Educational supplies £000	Other Costs (excluding depreciation) £000	Total £000
Belvedere Academy	3,389	662	200	1,027	5,278
Birkenhead Academy	3,549	647	230	785	5,211
	<b>6,938</b>	<b>1,309</b>	<b>430</b>	<b>1,812</b>	<b>10,489</b>

## 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	32,676	32,676
Current assets	1,328	1,584	650	3,562
Current liabilities	(46)	(1,669)	(412)	(2,127)
Pension scheme liability	-	(868)	-	(868)
<b>Total</b>	<b>1,282</b>	<b>(953)</b>	<b>32,914</b>	<b>33,243</b>

## 18 CAPITAL COMMITMENTS

The Academy Trust had capital commitments of £513,000 at 31 August 2015 (2014: nil).

## **NOTES TO THE FINANCIAL STATEMENTS**

### **19 OPERATING LEASE COMMITMENTS**

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

	<b>2015</b>	<b>Other</b>
	<b>2014</b>	
	<b>£'000</b>	<b>£'000</b>
Expiring within one year	1	-
Expiring within two and five years inclusive	23	24

### **20 NET CASH FLOW FROM OPERATIONS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Net income	(1,184)	(907)
Depreciation	1,120	1,104
Capital grants from DFE and other capital income	(300)	(449)
Loss on disposal of tangible fixed assets	28	-
Increase/(decrease) in stocks	-	-
(Increase)/decrease in debtors	(90)	(63)
Increase/(decrease) in creditors	490	297
FRS 17 pension cost less contributions payable	109	26
FRS 17 pension finance costs	6	2
Interest received	(13)	(14)
	<b>166</b>	<b>(4)</b>

### **21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>13</b>	<b>14</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2015 £'000	2014 £'000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(312)	(519)
Capital grants/donations from DFE	229	377
Capital funding received from sponsors and others	71	42
Receipts from sale of tangible fixed assets	-	1
Increase in capital creditors	-	50
	<u>(12)</u>	<u>(49)</u>

## 22 ANALYSIS OF CHANGES IN NET FUNDS

	31 August 2014 £'000	Cash flow £'000	Other non-cash changes £'000	31 August 2015 £'000
Cash at bank and in hand	2,926	167	-	3,093
Net funds	<u>2,926</u>	<u>167</u>	<u>-</u>	<u>3,093</u>

## 23 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2015 or 31 August 2014.

## 24 MEMBERS' LIABILITY

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **25 PENSION COMMITMENTS**

#### **Pension and similar obligations**

The Academy Trust's employees belong to three principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Merseyside Pension Fund and the GDST Pension Scheme for non-teaching staff. All three schemes 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 that of the LGPS 31 March 2013. The GDST Pension Scheme accepted the employers' share of accrued assets and liabilities from the Independent Schools Pension Scheme as a bulk transfer with effect from 31 December 2012.

#### **Support Staff Pensions**

The deficit of £868k included in the financial statements is made up as follows:-

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Local Government Pension Scheme	(537)	(428)
GDST Pension Scheme	(331)	(162)
	<u>(868)</u>	<u>(590)</u>

Contributions amounting to £107,453 (2014: £106,199) were payable to the schemes at 31 August 2015 and are included within creditors.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

The pension costs paid to TPS in the period amounted to £1,152,538 (2014: £1,120,639). A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 17, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme

### **Local Government Pension Scheme**

The Academy Trust is one of several employing bodies within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme with the assets held in separate trustee administered funds.

The total contribution made for the year ended 31 August 2015 was £221,800 of which employers' contributions totalled £149,483 and employees' contributions totalled £72,317. The amounts for each Academy were:-

- Belvedere Employer contributions £95,519 and Employee contributions £48,545
- Birkenhead Employer contributions £53,964 and Employee contributions £23,772

The employer's contribution rate comprises two elements:

- The future service funding rate.
- The past service adjustment. This is a stepped amount for each of the three years of the valuation period.

	<b>Belvedere</b>	<b>Birkenhead</b>
	<b>2015</b>	<b>2015</b>
Future service funding rate	12.4%	12.9%
Past service adjustment - 2014/15 total	£8,525	£1,642



## **NOTES TO THE FINANCIAL STATEMENTS**

### **PENSION AND SIMILAR OBLIGATIONS (continued)**

#### **Local Government Pension Scheme (continued)**

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

From 1 April 2008, the employees' contribution rate is banded according to the individual employee's pensionable pay. Employees' rate ranged from 5.5% to 12.5% in the year ended 31 August 2015.

#### **Principal Actuarial Assumptions**

	<b>Belvedere At 31 August 2015</b>	<b>Belvedere At 31 August 2014</b>	<b>Birkenhead At 31 August 2015</b>	<b>Birkenhead At 31 August 2014</b>
Rate of increase in salaries	3.70%	3.70%	3.80%	3.70%
Rate of increase for pensions in payment	2.20%	2.20%	2.30%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%	4.00%	4.00%
Inflation assumption (CPI)	2.20%	2.20%	2.20%	2.20%
Commutation of pensions to lump sums	50%	50%	50%	50%

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	22.4	22.3
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	28.1	28.0

## NOTES TO THE FINANCIAL STATEMENTS

## PENSION AND SIMILAR OBLIGATIONS (continued)

## Local Government Pension Scheme (continued)

	Expected Return at 31 Aug 2015 %	Expected Return at 31 Aug 2014 %	Belvedere Fair Value at 31 Aug 2015 £000	Belvedere Fair Value at 31 Aug 2014 £000	Birkenhead Fair Value at 31 Aug 2015 £000	Birkenhead Fair Value at 31 Aug 2014 £000
Equities	6.5%	7.00%	687	585	62	20
Government bonds	2.5%	2.90%	158	133	14	4
Other bonds	3.6%	3.80%	59	22	5	1
Property	6.1%	6.20%	98	76	9	2
Cash	0.5%	0.50%	33	43	3	1
Other	6.5%	7.00%	107	113	10	4
<b>Total market value of assets</b>			<b>1,142</b>	<b>972</b>	<b>103</b>	<b>32</b>
<b>Present value of scheme liabilities</b>			<b>(1,629)</b>	<b>(1,383)</b>	<b>(153)</b>	<b>(49)</b>
<b>Surplus/(deficit) in the scheme</b>			<b>(487)</b>	<b>(411)</b>	<b>(50)</b>	<b>(17)</b>

The actual return on the scheme assets was:-

- Belvedere £28,000 (2014: £95,000)

- Birkenhead £nil (2014: £5,000)

## Total expenditure recognised in the Statement of Financial activities

	Belvedere 2015 £000	Belvedere 2014 £000	Birkenhead 2015 £000	Birkenhead 2014 £000
Current service cost (net of employer contributions)	45	40	26	7
Past service cost	-	-	-	-
<b>Total operating charge</b>	<b>45</b>	<b>40</b>	<b>26</b>	<b>7</b>

## Analysis of pension finance income / (costs)

Expected return on pension scheme assets	56	47	2	3
Interest on pension liabilities	(58)	(49)	(4)	(3)
<b>Pension finance income / (costs)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is;

- Belvedere £247,000 loss (2014: £218,000 loss)
- Birkenhead £12,000 loss (2014 : £7,000 loss)

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

	<b>Belvedere</b>	<b>Belvedere</b>	<b>Birkenhead</b>	<b>Birkenhead</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	1,383	968	49	30
Current service cost	141	108	76	26
Interest cost	58	49	4	3
Employee contributions	48	38	22	8
Actuarial (gain)/loss	-	221	3	(18)
Benefits paid	(1)	(1)	(1)	-
Past Service cost	-	-	-	-
Curtailments and settlements	-	-	-	-
<b>At 31 August</b>	<b>1629</b>	<b>1,383</b>	<b>153</b>	<b>49</b>

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

	<b>Belvedere</b>	<b>Belvedere</b>	<b>Birkenhead</b>	<b>Birkenhead</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	972	742	32	31
Expected return on assets	56	47	2	3
Actuarial gains / (losses)	(29)	78	(2)	(29)
Employer contributions	96	68	50	19
Employee contributions	48	38	22	8
Benefits paid	(1)	(1)	(1)	-
<b>At 31 August</b>	<b>1,142</b>	<b>972</b>	<b>103</b>	<b>32</b>

The estimated value of employer contributions for the year ended 31 August 2016 is:-

- Belvedere £99,198
- Birkenhead £80,968

**NOTES TO THE FINANCIAL STATEMENTS**

**PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The five year history of experience adjustments is as follows:

<b>Belvedere Academy</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation at end of year	(1,629)	(1,383)	(968)	(807)	(622)
Fair value of plan assets at end of year	1,142	972	742	574	461
Deficit	(487)	(411)	(226)	(233)	(161)

**Experience adjustments on share of scheme assets**

Amount £'000	(29)	78	46	8	(65)
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**Experience adjustments on scheme liabilities**

Amount £'000	-	(32)	-	-	23
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<b>Birkenhead Academy</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation at end of year	(153)	(49)	(30)
Fair value of plan assets at end of year	103	32	31
Deficit	(50)	(17)	1

**Experience adjustments on share of scheme assets**

Amount £'000	(2)	(29)	-
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**Experience adjustments on scheme liabilities**

Amount £'000	-	27	-
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## **NOTES TO THE FINANCIAL STATEMENTS**

### **GDST Defined Benefits Pension Scheme**

The GDST scheme is a funded defined benefits scheme, with the assets held in separate trustee administered funds. The scheme accepted the employers' share of accrued assets and liabilities from the Independent Schools Pension Scheme (ISPS) as a bulk transfer with effect from 31 December 2012. The scheme is a multi- employer scheme with the Academy Trust and The Girls' Day School Trust being the only employers.

#### **Principal Actuarial Assumptions**

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
Rate of increase in salaries	3.7%	3.65%
Rate of increase for pensions in payment / inflation	2.2%	2.20%
Discount rate for scheme liabilities	3.6%	3.80%
Inflation assumption (CPI)	2.2%	2.15%

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

	<b>Expected return at 31 Aug 2015</b>	<b>Fair value at 31 Aug 2015</b>	<b>Expected return at 31 Aug 2014</b>	<b>Fair value at 31 Aug 2014</b>
	<b>%</b>	<b>£000</b>	<b>%</b>	<b>£000</b>
Equities	7.00%	410	6.30%	193
Government bonds	2.30%	126	2.50%	59
Other bonds	3.60%	123	3.60%	54
Property	5.75%	2	4.50%	1
Cash	2.20%	5	3.30%	4
Other	6.00%	147	6.30%	66
<b>Total market value of assets</b>		<b>813</b>		<b>377</b>
<b>Present value of scheme liabilities</b>		<b>(1,144)</b>		<b>(540)</b>
<b>Surplus/(deficit) in the scheme</b>		<b>(331)</b>		<b>(163)</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	24.5	25.5
Females	27.2	28.0
<i>Retiring in 20 years</i>		
Males	26.7	27.8
Females	29.2	30.0

### **Total expenditure recognised in the Statement of Financial Activities**

	<b>2015 £000</b>	<b>2014 £000</b>
Current service cost (net of employer contributions)	38	20
Past service cost	-	-
<b>Total operating charge</b>	<b>38</b>	<b>20</b>

### **Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	22	23
Interest on pension liabilities	(24)	(23)
<b>Pension finance income / (costs)</b>	<b>(2)</b>	<b>-</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £197,000 loss (2014 : £73,000 loss).

## NOTES TO THE FINANCIAL STATEMENTS

## PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2015 £000	2014 £000
<b>At 1 September</b>	540	435
Current service cost		
	136	82
Interest cost	25	23
Employee contributions		
	11	33
Actuarial (gain)/loss		
	469	(26)
Benefits paid		
	(37)	(12)
Past Service cost		
	-	-
Curtailments and settlements		
	-	-
Liabilities assumed in a business combination		
	-	-
Adjustment to brought forward balance		
	-	5
<b>At 31 August</b>	<b>1,144</b>	<b>540</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	377	325
Expected return on assets	22	23
Actuarial gains / (losses)	341	(99)
Employer contributions	99	103
Employee contributions	11	33
Benefits paid	(37)	(12)
Assets acquired in a business combination	-	-
Adjustment to brought forward balance	-	4
<b>At 31 August</b>	<b>813</b>	<b>377</b>

The estimated value of employer contributions for the year ended 31 August 2015 is £26,854

**The three year history of experience adjustments is as follows:**

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation at end of year	(1,144)	(540)	(435)
Fair value of plan assets at end of year	813	377	325
Deficit	(331)	(163)	(110)

**Experience adjustments on share of scheme assets**

Amount £'000	341	(99)	(89)
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**Experience adjustments on scheme liabilities**

Amount £'000	(419)	89	71
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## **NOTES TO THE FINANCIAL STATEMENTS**

### **26 RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees/local governing body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee/local governor may have 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 Girls' Day School Trust (GDST), the main sponsor of the Academy Trust, had the following trustees in common during the year:

Jane Richardson (resigned 31/8/15)  
 Juliet Humphries  
 Helen Williams  
 Joanna Greenslade (appointed 01/09/2015)

Helen Fraser, the Chief Executive of the GDST and Tom Beardmore-Gray, the Finance Director of the GDST, are also trustees of the Academy Trust.

A formal operating agreement exists between the Academy Trust and the GDST whereby the GDST shall supply a number of services to the Academy Trust (at no more than such services could reasonably be obtained in the open market). The GDST has carried out a costing exercise to demonstrate that all services provided have actually been delivered to the Academy Trust at less than cost. The amount of services supplied in the year ending 31 August 2015 is as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
ICT support services	80	80
Payroll services	14	13
Internal audit services	2	2
Human resources advice	2	1
	<b>98</b>	<b>96</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

Creditors includes the sum of £821,587 (2013/14: £745,231) which was due from the Academy Trust to the GDST at 31 August 2015. This amount comprises:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Reimbursement of payroll costs	813	736
Creditor for services/advice	8	23
Other	-	(14)
	<b>821</b>	<b>745</b>

### **RELATED PARTY TRANSACTIONS (continued)**

Debtors include the sum of £16,123 (2013/14: £14,465) receivable from the GDST.

## **27 TRUSTEES' and LOCAL GOVERNORS' REMUNERATION AND EXPENSES**

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and Staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors.

## **28 ULTIMATE CONTROLLING COMPANY**

The ultimate controlling party is The Girls' Day School Trust, a charitable company incorporated in England and Wales.