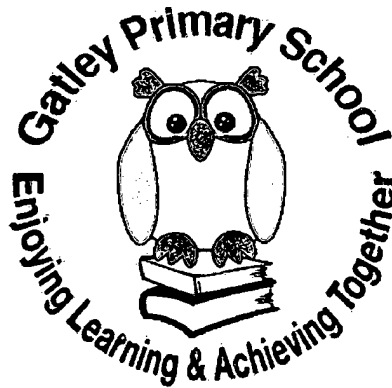


Registration number: 09142319



Gatley Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 22 July 2014 to 31 August 2015



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

Hallidays
Chartered Accountants and Registered Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

SATURDAY



A06 *A4MLBNBT* 19/12/2015 #244
COMPANIES HOUSE

Gatley Academy Trust

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Gatley Academy Trust

Reference and Administrative Details

| | |
|--|--|
| Members | Mr Stuart Foster (appointed 22 July 2014) Mr James Evans (appointed 22 July 2014) Mr Kalesh Bhaskaran (appointed 22 July 2014) |
| Trustees (Directors) | Mr Stuart Foster (appointed 22 July 2014) Mr James Evans (appointed 22 July 2014) Mr Richard Taylor (appointed 22 July 2014) Mrs Alice Spreckley (appointed 22 July 2014) Mrs Sheila Mephram (appointed 22 July 2014) Mr Jon Keating (appointed 22 July 2014) Mrs Emma Wilson (appointed 1 January 2015) Ms Fifi Abadi (appointed 22 July 2015) Dr Belinda Copitch (appointed 22 July 2014) Ms Michelle Murray (appointed 22 July 2014) Mrs Vanessa McManus (appointed 22 July 2014) Ms Helen Moorcroft (appointed 22 July 2014) Mrs Caroline Reeve (appointed 22 July 2014) Mrs Samina Mohammed (appointed 22 July 2014 and resigned 31 December 2014) |
| Company Secretary | Mr Kalesh Bhaskaran |
| Senior Management Team | Ms Michelle Murray, Executive Headteacher Mrs Vanessa McManus, Associate Headteacher Mrs Gemma Norman, Deputy Headteacher (Maternity Leave) Mrs Helen Moorcroft, Acting Deputy Headteacher Mrs Elizabeth Lees, Assistant Headteacher Mrs Clare Kitchen, Acting Assistant Headteacher Mr Clive Palmer, Director of Operations |
| Principal and Registered Office | Gatley Primary School Hawthorn Road Cheadle Cheshire SK8 4NB |
| Company Registration Number | 09142319 |

Gatley Academy Trust

Reference and Administrative Details (continued)

Auditors

Hallidays
Chartered Accountants and Registered Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD
16 March 2015

Bankers

Lloyds Bank
60/62 Merseyway Shopping Centre
Stockport
SK1 1PL

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Gatley Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 22 July 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Gatley, Stockport. It has a pupil capacity of 420 in Reception to Year 6 and a 40 place Nursery. It had a roll of 462 in the school census on October 2015. Gatley Primary School is designated as a National Teaching School and National Support School.

Discussion on conversion to academy trust

On the 1st September 2014 Gatley Primary School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Gatley Academy Trust from the Stockport Metropolitan Borough Council for £Nil Consideration.

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

Structure, Governance and Management

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company incorporated on 22 July 2014. The company registration number is 09142319.

The Governors act as the trustees for the charitable activities of Gatley Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Gatley Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1 and the Governors Statement on page 9.

In addition Gatley Primary School is designated a National Teaching School & National Support School.

Members' Liability

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

Trustees' Indemnities

Professional Indemnity Insurance is in place to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions on Trust business.

Principal Activities

The principal objective of the Trust is to advance, for the public benefit, education in the wider local community, in particular but without prejudice to the generality of the foregoing by establishing maintaining, carrying on, managing and developing the Academy offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commissions general guidance on public benefit.

Gatley Academy Trust

In addition the Trust also supports the school led system with the priorities of the Teaching School and National Support School. This is supported by the Empower Teaching School Alliance.

Method of Recruitment and Appointment or Election of Trustees

Members of the trust are nominated by either the Secretary of State of Education (DFE) or the Academy Trust. The Articles of Association require the members of the trust to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational legal and financial matters. All new trustees will be given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plan and other documents that they will need to undertake their role as trustees. Induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The officers of the Academy together with other administrative information are listed on page 1 to the financial statement.

The Trustees are responsible for setting general policy adopting an annual plan and budget, monitoring the Trust by use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Reports and Financial Statements.

The Executive Headteacher is the Accounting Officer. The day to day management of the Trust is delegated to her and the Senior Leadership Team (SLT).

The Resource Committee is responsible for all financial matters related to the trust. It also carries out tasks delegated down by the full Board of Trustees on strategic and capital expenditure projects. This committee is also responsible for the pay policy and safeguarding.

The Teaching and Learning Committee is responsible for preparing the teaching and learning strategy, setting out the annual curriculum plan and suggest draft achievement targets for the Academy. It also monitors the school self-evaluation processes, standards, curriculum, approves policies and procedures, including their implementation.

The Senior Leadership Team of the Academy is responsible for the day to day management of the academy, for carrying through the strategic decisions of the Board of Committees, ensuring an annual development plan in set out, monitored and implemented successfully.

Risk Management

The Trustees have assessed the major risk to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust and its finances. The Trustees have implemented a number of systems to assess the risks that the Trust faces, especially in operational areas such as teaching, health and safety and the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk remains, they have ensured they have adequate insurance cover.

Related Parties and other Connected Charities and Organisations

As a Teaching School the Trust leads and alliance of primary/secondary schools. It has strategic partners with whom it works on specific programmes initiatives. These include, HEI's (Manchester Metropolitan University and Edge Hill University) and another Teaching School Alliance (Elmridge Teaching School)

Gatley Academy Trust

Objectives and Activities

Objectives, Strategies and Activities

The academy's main strategy is encompassed in its mission statement which is "Enjoying Learning and Achieving Together". This is articulated in our vision that education is preparation for life and we seek to prepare each child to be autonomous learner when they leave Gatley. We aspire to set high standards for personal behaviour and self-discipline, with consideration, courtesy and respect for other people of all ages, races and cultures. High standards are visible in every aspect of academy life with careful targeting of resources to achieve these ends.

Each year the Strategic School Development Plan sets out the detailed actions and timescales and intended impact required to deliver short term objectives. The school priorities covering period up to 31st August 2015 focused on

Continuing to promote academic, technical and sporting excellence

Ensuring vulnerable groups continue to rapidly approach and/or be in line with pupils nationally and within the school.

Ensuring pupil involvement in curriculum design promotes values including: democracy, law, liberty and respect for belief, preparing children for life in modern Britain

Strengthening outstanding learning with significant growth in pupil's knowledge and excellent attitude to learning

Using assessment outcomes and research methodology to raise standards and practice is communicated across the school and wider community

Further improving successful strategies for engaging with stakeholders

Curriculum Teams develop their own Action Plans which support the school development plan. These cover the key area of:

- Understanding the Arts
- Understanding the Maths
- Understanding English, Communication and Languages
- Understanding Physical Development, Health & Well being
- History, Geographical & Social Understanding
- Understanding Science and Technology

Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the trust is the provision of a high quality education to its learners.

Over and above this, the academy aims to offers an education for the whole individual providing exceptional opportunities for personal as well as academic success. Gatley Academy Trust ensures that spiritual, moral, social and cultural aspects are embeded within lessons and in the wider curriculum. The school offers a wide range of extra-curricular activities including breakfast/after-school clubs, school trips, both day and residential from Nursery upwards.

We provide support for families in difficulties through engaging with our stakeholders to ensure responses are tailored to individual needs.

Gatley Academy Trust

Strategic Report

Achievements and Performance

The Academy had 461 pupils on roll in July 2014. The academy received 109 applications as first preference for the Reception intake for September 2014 but was only able to offer 60 places in line with our Published Admission Number.

KS1 Results

In the Year 1 Phonics check, 89% of children passed compared with 77% nationally.

| Subject | National L2b + 2015 | Gatley Academy Y2 2015 |
|---------|---------------------|------------------------|
| Reading | 82% | 85% |
| Writing | 72% | 84% |
| Maths | 82% | 87% |

| Subjects | Gatley Academy Trust Y6 attainment 2015 | | | National Averages 2014 | | |
|----------|---|----------|---------|------------------------|----------|---------|
| | Level 4+ | Level 5+ | Level 6 | Level 4+ | Level 5+ | Level 6 |
| Reading | 100% | 78% | 8% | 89% | 48% | 0% |
| Writing | 98% | 58% | 12% | 87% | 36% | 2% |
| Maths | 100% | 72% | 25% | 87% | 41% | 9% |
| EGPS | 82% | 60% | 17% | 80% | 55% | 4% |

Developments, Activities, Achievements and performance.

In 2015 the attendance rate was 96.7%. Levels of persistent absence are below national averages. Punctuality to school and to lessons is very good. Only a small minority of pupils occasionally arrive late. This reflects the fact that children want to come to school and find it a place of safety and happiness where they are engaged and interested in learning.

The academy carefully monitored the implementation of the 2014/15 school development plan. Trustees were linked to elements of the plan and, through monitoring visits and reports, were able to confirm the impact of actions on pupil achievement. The school's own mechanism for self-evaluation also validated the impact of the plan.

In order to ensure that standards continue to rise, the academy operates a rigorous monitoring and evaluation timetable which focuses on lesson observations, book and planning scrutinies as well as discussions with pupils. Through lesson observations, teachers improve their own practice and this is enhanced with carefully targeted CPD. Weekly professional development meetings focus on pedagogy and improving classroom practice. At the last inspection and in the period after, the majority of teaching that has been observed has been "Outstanding".

The academy has analysed the data and achievement is consistently high over the last 5 years. The standard of attainment for all significant groups of students has been outstanding and we forecast a similar pattern for future cohorts given their existing attainment and progress.

Gatley Academy Trust

Going Concern

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

Financial Review

Most of the trust income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ending 31st August 2015 and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also received other grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ending 31st August 2015, total expenditure of £1,935,355 was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £5,184,492 (inclusive of net assets totalling £3,187,133 which were transferred upon conversion). The excess of income over expenditure for the period was £3,324,137 before actuarial loss on the defined benefit scheme. Total funds carried forward amount to £3,234,137. This is in line with the Trust strategy to build and maintain adequate reserves to fund plans for the future.

Unrestricted income in the period ending 31st August 2015 amounted to £299,895. There was unrestricted spend of £10,522.

At 31st August 2015 the net book value of fixed assets amounted to £3,105,770 of which £3,153,523 is in respect of assets inherited on conversion. Movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions in the period ending 31st August 2015 amounted to £13,368.

Additional income comes through grants received via the National Teaching School and National Support School together with additional allocated funds via successful bids to TSC.

Reserves Policy

The Trustees review the level of reserves on an annual basis. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust's current level of free reserves (Total reserves less amount held in the fixed asset reserve and restricted fund reserve) is £289,373. The amount will be kept secure for a time when it is needed to self-finance a major project.

The net liability due to the Trust's participation in the Local Government Pension Scheme (LGPS) amounts to £200,000. 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 of Education. This guarantee provides comfort to the Governors in the unlikely event of Academy closure.

Principal Risks and Uncertainties

The principal risks to the Trust are documented and managed using a Risk Management Policy and a Risk Register which is reviewed regularly.

The main risks are seen as loss of reputation through failing standards at the Academy, falling student numbers, failure to safeguard our students, and failure on High Profile School to School support commissions.

Key controls in place to mitigate these risks are:

- An organisation structure with clearly defined roles, responsibilities and authorisation levels.

Gatley Academy Trust

- Documented terms of reference of the committees of the Trust
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk
- Formal written and published policies for employees
- Vetting procedures as required by legislation for the protection of the vulnerable,
- Robust due diligence procedures for new contacts and commissions.

Plans for Future Periods

The Academy will continue striving to provide the best possible education all its learners and to enable all children to achieve their full potential.

The trust's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for its students and community.

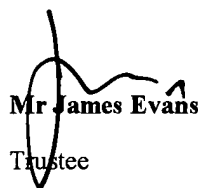
The academy's plans will ensure that its quality of provision of education and results both continue to be outstanding in the next few years.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 8th December 2015 and signed on the board's behalf by:



Mr James Evans
Trustee

8th December 2015

Gatley Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Gatley 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 board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Gatley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Body of Trustees has formally met 7 times during the period. Attendance during the period at meetings of the Body of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| Mr Stuart Foster | 7 | 7 |
| Mr James Evans | 6 | 7 |
| Mr Richard Taylor | 6 | 7 |
| Mr Jon Keating | 6 | 7 |
| Mrs Alice Spreckley | 7 | 7 |
| Mrs Sheila Mephram | 5 | 7 |
| Ms Fifi Abadi | 5 | 7 |
| Dr Belinda Copitch | 4 | 7 |
| Mrs Caroline Reeve | 6 | 7 |
| Mrs Vanessa McManus | 7 | 7 |
| Ms Michelle Murray | 6 | 7 |
| Ms Helen Moorcroft | 7 | 7 |
| Mrs Emma Wilson | 5 | 5 |
| Mrs Samina Mohammed | 1 | 2 |

The **resource committee** is a sub-committee of the main board of trustees. The Resource Committee is responsible for all financial matters related to the trust. It also carries out tasks delegated down by the full Board of Trustees on strategic and capital expenditure projects. This committee is also responsible for the pay policy and safeguarding.

During the year Mrs E Wilson, who is a qualified accountant, joined the committee.

Attendance at meetings in the year was as follows:

Gatley Academy Trust

| Trustee | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| Mr Richard Taylor | 6 | 6 |
| Mr Jon Keating | 3 | 6 |
| Mrs Alice Spreckley | 5 | 6 |
| Mrs Sheila Mephram | 6 | 6 |
| Mrs Emma Wilson | 3 | 3 |
| Mr Stuart Foster | 6 | 6 |

Review of Value for Money

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

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

- Appointing Teaching Assistants as Cover Supervisors to reduce the use of agency supply staff both saving money and improving continuity for the children.
- Obtaining a range of quotations before renewing the staff sickness insurance which resulted in the school getting improved cover at a more competitive price.
- Carrying out a tendering process for catering services that will deliver healthier options for children with online nutritional information for parents as well as an online payment service that will reduce administration for the school and improve cash collection.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gatley Academy Trust for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Gatley Academy Trust

The Risk and Control Framework

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

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

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

- to appoint **Hallidays** as internal auditor

The **internal auditor's** role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On annual basis, the **auditors** reports to the board of trustees, through the **resource committee** on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

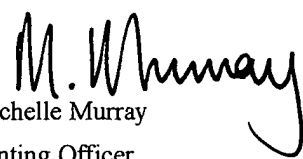
As accounting officer the **Executive Headteacher** has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on **8th December 2015** and signed on its behalf by:


Mr James Evans
Trustee


Ms Michelle Murray
Accounting Officer

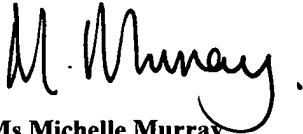
Gatley Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Gatley Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and 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 of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



Ms Michelle Murray

Accounting Officer

8th December 2015

Gatley Academy Trust

Statement of Trustees' Responsibilities

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

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

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

The 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 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 members of the board of trustees on 8th December 2015 and signed on its behalf by:

Mr James Evans
Trustee

Gatley Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Gatley Academy Trust

We have audited the financial statements of Gatley Academy Trust for the period from 22 July 2014 to 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the for the financial period for which the financial statements are prepared is consistent with the financial statements.

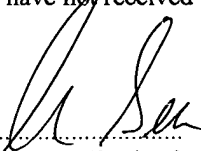
Matters on which we are required to report by exception

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:

Gatley Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Gatley Academy Trust (continued)

- 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.



.....
Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 8/12/15

Gatley Academy Trust

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

In accordance with the terms of our engagement letter dated 16 March 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 Gatley Academy Trust during the period 22 July 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 22 July 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 Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

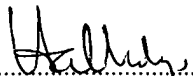
Gatley Academy Trust

Independent Reporting Accountant's Report on Regularity to Gatley Academy Trust and the Education Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

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 from 22 July 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Hallidays, Chartered Accountants

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 8/12/15

Gatley Academy Trust

Statement of Financial Activities for the Period from 22 July 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Pension Fund £ | Restricted Fixed Asset Funds £ | Total 2015 £ |
|---|------|-------------------------|-------------------------------|------------------------------|-----------------------------------|------------------|
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Voluntary income | | | | | | |
| Transfer on conversion | 2 | 198,610 | - | (165,000) | 3,153,523 | 3,187,133 |
| Other voluntary income | 2 | - | 29,784 | - | - | 29,784 |
| Activities for generating funds | 3 | 100,837 | 13,396 | - | - | 114,233 |
| Investment income | 4 | 448 | - | - | - | 448 |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 5 | - | 1,842,434 | - | 10,460 | 1,852,894 |
| Total incoming resources | | <u>299,895</u> | <u>1,885,614</u> | <u>(165,000)</u> | <u>3,163,983</u> | <u>5,184,492</u> |
| Resources expended | | | | | | |
| <i>Cost of generating funds:</i> | | | | | | |
| Cost of generating funds | | 10,522 | - | - | - | 10,522 |
| <i>Charitable activities:</i> | | | | | | |
| Academy's educational operations | | - | 1,821,769 | 20,000 | 60,371 | 1,902,140 |
| Governance costs | 8 | - | 22,693 | - | - | 22,693 |
| Total resources expended | 6 | <u>10,522</u> | <u>1,844,462</u> | <u>20,000</u> | <u>60,371</u> | <u>1,935,355</u> |
| Net incoming/(outgoing) resources before transfers | | 289,373 | 41,152 | (185,000) | 3,103,612 | 3,249,137 |
| Gross transfers between funds | | - | (2,158) | - | 2,158 | - |
| Net income/(expenditure) for the period | | 289,373 | 38,994 | (185,000) | 3,105,770 | 3,249,137 |

Gatley Academy Trust

Statement of Financial Activities for the Period from 22 July 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Pension Fund £ | Restricted Fixed Asset Funds £ | Total 2015 £ |
|--|------|----------------------------|-------------------------------------|---------------------------------|---|--------------------|
| Other recognised gains and losses | | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | - | (15,000) | - | (15,000) |
| Net movement in funds/(deficit) | | 289,373 | 38,994 | (200,000) | 3,105,770 | 3,234,137 |
| Reconciliation of funds | | | | | | |
| Funds/(deficit) carried forward at 31 August 2015 | | 289,373 | 38,994 | (200,000) | 3,105,770 | 3,234,137 |

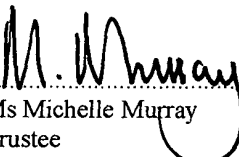
All of the Academy's activities derive from acquisitions in the current financial period.

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

Gatley Academy Trust
(Registration number: 09142319)
Balance Sheet as at 31 August 2015

| | Note | 31 August 2015 £ |
|--|------|-------------------------|
| Fixed assets | | |
| Tangible assets | 18 | 3,105,770 |
| Current assets | | |
| Debtors | 21 | 34,996 |
| Cash at bank and in hand | | <u>495,035</u> |
| | | 530,031 |
| Creditors: Amounts falling due within one year | 22 | <u>(201,664)</u> |
| Net current assets | | <u>328,367</u> |
| Total assets less current liabilities | | <u>3,434,137</u> |
| Net assets excluding pension liability | | 3,434,137 |
| Pension scheme liability | 36 | <u>(200,000)</u> |
| Net assets including pension liability | | <u><u>3,234,137</u></u> |
| Funds of the Academy: | | |
| Restricted funds | | |
| Restricted general fund | | 38,994 |
| Restricted fixed asset fund | | 3,105,770 |
| Restricted pension fund | | <u>(200,000)</u> |
| | | 2,944,764 |
| Unrestricted funds | | |
| Unrestricted general fund | | <u>289,373</u> |
| Total funds | | <u><u>3,234,137</u></u> |

The financial statements on pages 19 to 58 were approved by the Trustees, and authorised for issue on 8th December 2015 and signed on their behalf by:


 Ms Michelle Murray
 Trustee

Gatley Academy Trust

Cash Flow Statement for the Period from 22 July 2014 to 31 August 2015

| | Note | 31 August 2015 £ |
|---|------|------------------------|
| Net cash inflow from operating activities | 18 | 298,135 |
| Cash transferred on conversion to an academy trust | | 198,610 |
| Returns on investments and servicing of finance | 19 | 448 |
| Capital expenditure and financial investment | 20 | <u>(2,158)</u> |
| Increase in cash in the period | 21 | <u><u>495,035</u></u> |
| Reconciliation of net cash flow to movement in net funds | | |
| Increase in cash in the period | | 495,035 |
| Net funds at 22 July 2014 | | <u>-</u> |
| Net funds at 31 August 2015 | | <u><u>495,035</u></u> |

All of the cash flows are derived from acquisitions in the current financial period.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Gatley Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

| Asset class | Depreciation method and rate |
|--------------------------------|-------------------------------------|
| Buildings | 125 years Straight Line |
| Fixtures, Fittings & Equipment | 10% Reducing Balance |
| Computer Equipment | 33% Straight Line |

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, 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.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | Restricted Pension Fund | Restricted fixed asset funds £ | Total 2015 £ |
|-------------------------------|----------------------------|--------------------------|----------------------------|---|--------------------|
| Transfer on conversion | 198,610 | - | (165,000) | 3,153,523 | 3,187,133 |
| Other voluntary income | | | | | |
| Educational trips and visits | - | 16,488 | - | - | 16,488 |
| Other donations | - | 13,296 | - | - | 13,296 |
| | - | 29,784 | - | - | 29,784 |
| Total voluntary income | 198,610 | 29,784 | (165,000) | 3,153,523 | 3,216,917 |

3 Activities for generating funds

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ |
|------------------------------|----------------------------|--------------------------|--------------------|
| Hire of facilities | 9,504 | - | 9,504 |
| Catering income | 32,564 | - | 32,564 |
| Recharges and reimbursements | - | 13,396 | 13,396 |
| Other income | 53,369 | - | 53,369 |
| Student Placement income | 5,400 | - | 5,400 |
| | 100,837 | 13,396 | 114,233 |

4 Investment income

| | Unrestricted funds £ | Total 2015 £ |
|---------------------|----------------------------|--------------------|
| Short term deposits | 448 | 448 |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

5 Funding for Academy's educational operations

| | Restricted funds £ | Restricted fixed asset funds £ | Total 2015 £ |
|--------------------------------|--------------------------|---|--------------------|
| DfE/EFA capital grants | | | |
| Devolved Funding Capital Grant | - | 10,460 | 10,460 |
| DfE/EFA revenue grants | | | |
| General Annual Grant | 1,457,000 | - | 1,457,000 |
| Other DfE/EFA Grants | 238,737 | - | 238,737 |
| Start Up Grant | 25,000 | - | 25,000 |
| | <u>1,720,737</u> | <u>-</u> | <u>1,720,737</u> |
| Other government grants | | | |
| Local Authority Grants | 117,047 | - | 117,047 |
| School Direct Funding | 4,650 | - | 4,650 |
| | <u>121,697</u> | <u>-</u> | <u>121,697</u> |
| Total grants | <u>1,842,434</u> | <u>10,460</u> | <u>1,852,894</u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

6 Resources expended

| | Staff costs £ | Premises £ | Other costs £ | Total 2015 £ |
|--|------------------|----------------|------------------|--------------------|
| Costs of activities for generating funds | - | - | 10,522 | 10,522 |
| Academy's educational operations | | | | |
| Direct costs | 1,189,566 | 54,334 | 156,270 | 1,400,170 |
| Allocated support costs | <u>155,230</u> | <u>127,246</u> | <u>219,494</u> | <u>501,970</u> |
| | 1,344,796 | 181,580 | 375,764 | 1,902,140 |
| Governance costs including allocated support costs | <u>-</u> | <u>-</u> | <u>22,693</u> | <u>22,693</u> |
| | <u>1,344,796</u> | <u>181,580</u> | <u>408,979</u> | <u>1,935,355</u> |

Net incoming/outgoing resources for the period include:

| | 31 August 2015 £ |
|---------------------------------|------------------------|
| Operating leases: | |
| Operating leases - other leases | 29,092 |
| Fees payable to auditor - audit | 5,250 |
| - other audit services | <u>4,500</u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

7 Charitable activities

| | Total 2015 £ |
|---|-----------------------------|
| Direct costs - educational operations | |
| Teaching and educational support staff costs | 1,189,566 |
| Depreciation | 54,334 |
| Educational supplies | 57,373 |
| Examination fees | 1,527 |
| Staff development | 19,044 |
| Educational consultancy | 2,300 |
| Other direct costs | 76,026 |
| | <u>1,400,170</u> |
| Support costs - educational operations | |
| Support staff costs | 135,230 |
| FRS 17 service cost adjustment | 20,000 |
| Depreciation | 6,037 |
| Maintenance of premises and equipment | 40,959 |
| Cleaning | 22,233 |
| Rent, rates and utilities | 40,112 |
| Insurance | 17,905 |
| Recruitment and support | 640 |
| Security and transport | 1,501 |
| Catering | 111,131 |
| Bank interest and charges | 32 |
| Professional fees | 51,118 |
| Other support costs | 55,072 |
| | <u>501,970</u> |
| Total direct and support costs | <u>1,902,140</u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

8 Governance costs

| | Total 2015 £ |
|-------------------------------|-----------------------------|
| Legal and professional fees | 11,069 |
| Auditors' remuneration | |
| Audit of financial statements | 5,250 |
| Other audit services | 4,500 |
| Support costs | 1,874 |
| | <u>22,693</u> |

9 Staff

Staff costs

| | 2015 £ |
|--|-------------------|
| Staff costs during the period were: | |
| Wages and salaries | 1,059,681 |
| Social security costs | 75,400 |
| Pension costs | 184,649 |
| Supply teacher costs | 25,066 |
| | <u>1,344,796</u> |

Staff numbers

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

| | 31 August 2015 No |
|------------------------------|----------------------------------|
| Charitable Activities | |
| Teachers | 20 |
| Administration and support | 16 |
| Management | 3 |
| | <u>39</u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

9 Staff (continued)

Higher paid staff

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

| | 31 August 2015 No |
|-------------------|----------------------------------|
| £60,001 - £70,000 | 1 |
| £80,001 - £90,000 | <u>1</u> |

2 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £16,061.

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Ms Michelle Murray (Executive Headteacher):

Remuneration: £80,000 - £85,000

Employer's pension contributions: £10,000 - £15,000

Mrs Vanessa McManus (Associate Headteacher):

Remuneration: £60,000 - £65,000

Employer's pension contributions: £5,000 - £10,000

Ms Helen Moorcroft (Assistant Headteacher):

Remuneration: £45,000 - £50,000

Employer's pension contributions: £5,000 - £10,000

Mrs Caroline Reeve (Higher Level Teaching Assistant):

Remuneration: £10,000 - £15,000

Employer's pension contributions: £0 - £5,000

During the period ended 31 August 2015, travel and subsistence expenses totalling £2,287 were reimbursed or paid directly to 4 trustees.

Other related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance from RPA to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was included in the total insurance cost.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

12 Tangible fixed assets

| | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|---|---------------------------------|----------------------------|-------------------------|
| Cost | | | | |
| Additions | - | 5,271 | 8,097 | 13,368 |
| Inherited assets | 2,949,981 | 165,000 | 38,542 | 3,153,523 |
| Disposals | - | - | (750) | (750) |
| At 31 August 2015 | <u>2,949,981</u> | <u>170,271</u> | <u>45,889</u> | <u>3,166,141</u> |
| Depreciation | | | | |
| Charge for the year | <u>17,808</u> | <u>16,807</u> | <u>25,756</u> | <u>60,371</u> |
| At 31 August 2015 | <u>17,808</u> | <u>16,807</u> | <u>25,756</u> | <u>60,371</u> |
| Net book value | | | | |
| At 31 August 2015 | <u><u>2,932,173</u></u> | <u><u>153,464</u></u> | <u><u>20,133</u></u> | <u><u>3,105,770</u></u> |

The trust's transactions relating to land and buildings included:

- A 125 year lease which was entered into between the Trust and Stockport Metropolitan Borough Council on 1st September 2014. The transfer value of the leasehold property was ascertained by the use of the asser register values provided by Stockport Metropolitan Borough Council.
- Fixtures, fittings and computer equipment transferred at an estimated value deemed appropriate by Trust.

13 Debtors

| | 31 August 2015 £ |
|--------------------------------|------------------------|
| Trade debtors | 646 |
| Prepayments | 9,515 |
| Accrued grant and other income | 15,595 |
| VAT recoverable | <u>9,240</u> |
| | <u><u>34,996</u></u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

14 Creditors: amounts falling due within one year

| | 31 August 2015 £ |
|-----------------|---------------------------------|
| Trade creditors | 118,329 |
| Accruals | 12,857 |
| Deferred income | 70,478 |
| | <u>201,664</u> |

**31 August
2015
£**

Deferred income

| | |
|----------------------------------|---------------|
| Resources deferred in the period | <u>70,478</u> |
|----------------------------------|---------------|

Deferred income represents £41,170 received for Free School Meal provision, £5234 in Devolved Formula Capital Grant, £2099 in rates relief and £3975 in Early Years Associate Partner funding all relating to the period after 31st August 2015. Also included is £18,000 of Teaching School income carried over in respect of funding for two schools that has not yet been utilised.

15 Funds

| | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2015 £ |
|-------------------------------------|-------------------------------------|-------------------------------------|--|--|
| Restricted general funds | | | | |
| General Annual Grant (GAG) | 1,457,000 | (1,415,848) | (2,158) | 38,994 |
| Other DfE/EFA Grants | 131,762 | (131,762) | - | - |
| Start Up Grant | 25,000 | (25,000) | - | - |
| Other Government Grants/Income | 228,672 | (228,672) | - | - |
| Restricted other income | 43,179 | (43,179) | - | - |
| | <u>1,885,613</u> | <u>(1,844,461)</u> | <u>(2,158)</u> | <u>38,994</u> |
| Restricted fixed asset funds | | | | |
| DFC Grant | 10,460 | (199) | - | 10,261 |
| Assets transferred on conversion | 3,153,523 | (60,131) | - | 3,093,392 |
| Capital Expenditure from GAG | - | (41) | 2,158 | 2,117 |
| | <u>3,163,983</u> | <u>(60,371)</u> | <u>2,158</u> | <u>3,105,770</u> |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

15 Funds (continued)

| | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2015 £ |
|---------------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|
| Restricted pension funds | | | | |
| Restricted Pension fund | (165,000) | (20,000) | (15,000) | (200,000) |
| Total restricted funds | 4,884,596 | (1,924,832) | (15,000) | 2,944,764 |
| Unrestricted funds | | | | |
| Unrestricted general funds | 299,895 | (10,522) | - | 289,373 |
| Total funds | 5,184,491 | (1,935,354) | (15,000) | 3,234,137 |

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Academy.

Restricted fixed asset funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Governors may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Governors.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015

16 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|----------------------------------|---|------------------|
| Tangible fixed assets | - | - | 3,105,770 | 3,105,770 |
| Current assets | 289,373 | 240,658 | - | 530,031 |
| Current liabilities | - | (201,664) | - | (201,664) |
| Pension scheme liability | - | (200,000) | - | (200,000) |
| Total net assets | 289,373 | (161,006) | 3,105,770 | 3,234,137 |

17 Financial commitments

Operating leases

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

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

17 Financial commitments (continued)

Operating leases which expire:

| | 31 August 2015 £ |
|--------------------------|------------------------|
| Other | |
| Within two to five years | 35,345 |

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

| | 31 August 2015 £ |
|---|------------------------|
| Net income | 3,249,137 |
| Depreciation | 60,371 |
| Cash transferred on conversion to an academy trust | (198,610) |
| Donations - Inherited assets less pension liability | (2,988,523) |
| Interest receivable | (448) |
| FRS17 service cost adjustment | 20,000 |
| Increase in debtors | (34,996) |
| Increase in creditors | 201,664 |
| Capital grants from DfE | (10,460) |
| Net cash inflow from operating activities | 298,135 |

19 Returns on investments and servicing of finance

| | 31 August 2015 £ |
|--|------------------------|
| Interest received | 448 |
| Net cash inflow from returns on investments and servicing of finance | 448 |

20 Capital expenditure and financial investment

| | 31 August 2015 £ |
|--|------------------------|
| Purchase of tangible fixed assets | (13,368) |
| Sale of tangible fixed assets | 750 |
| Capital grants from DfE | 10,460 |
| Net cash outflow from capital expenditure and financial investment | (2,158) |

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

21 Analysis of changes in net funds

| | At 1 September 2014 £ | Cash flows £ | At 31 August 2015 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | - | 495,035 | 495,035 |

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

23 Pension and similar obligations

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

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

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

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.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £100,517.

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £91,000, of which employer's contributions totalled £72,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 21.4 per cent for employers and between 5.5 per cent and 12.5% for employees banded by salary.

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

23 Pension and similar obligations (continued)

Principal actuarial assumptions

| | At 31 August 2015 % |
|--|---------------------------|
| Rate of increase in salaries | 3.80 |
| Rate of increase for pensions in payment/inflation | 2.60 |
| Discount rate for scheme liabilities | <u>3.70</u> |

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

| | + 0.5% £ | 0.0% £ | - 0.5% £ |
|--|---------------|-----------|---------------|
| Adjustment to discount rate | | | |
| Present value of total obligation | <u>-</u> | <u>-</u> | <u>67,000</u> |
| | + 0.5% £ | 0.0% £ | - 0.5% £ |
| Adjustment to rate of inflation | | | |
| Present value of total obligation | <u>39,000</u> | <u>-</u> | <u>-</u> |
| | + 0.5% £ | 0.0% £ | - 0.5% £ |
| Adjustment to rate of salary growth | | | |
| Present value of total obligation | <u>26,000</u> | <u>-</u> | <u>-</u> |
| | + 1 Year £ | None £ | - 1 Year £ |
| Adjustment to mortality age rating assumption | | | |
| Present value of total obligation | <u>17,000</u> | <u>-</u> | <u>-</u> |

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

| | At 31 August 2015 |
|------------------------------|----------------------|
| Retiring today | |
| Males retiring today | 21.00 |
| Females retiring today | 24.00 |
| Retiring in 20 years | |
| Males retiring in 20 years | 24.00 |
| Females retiring in 20 years | <u>27.00</u> |

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

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

23 Pension and similar obligations (continued)

| | At 31 August 2015 |
|------------------------------|------------------------------|
| | £ |
| Equities | 270,000 |
| Government bonds | 67,000 |
| Property | 22,000 |
| Cash | 15,000 |
| | <hr/> |
| Total market value of assets | 374,000 |
| | <hr/> |
| Surplus in the scheme | 374,000 |
| | <hr/> |

The expected rates of return were:

| | At 31 August 2015 |
|------------------|------------------------------|
| | % |
| Equities | 4.00 |
| Government bonds | 4.00 |
| Property | 4.00 |
| Cash | 4.00 |
| | <hr/> |

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

The actual return on scheme assets was £7,000.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 31 August 2015 |
|------------------------|---------------------------|
| | £ |
| Current service cost | 20,000 |
| Total operating charge | <u>20,000</u> |

Analysis of pension finance income/(costs)

| | 31 August 2015 |
|--|---------------------------|
| | £ |
| Expected return on pension scheme assets | (18,000) |
| Interest on pension liabilities | <u>18,000</u> |
| Pension finance income/(costs) | <u>-</u> |

The actuarial gains and losses for the current period 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 (£15,000).

Movements in the present value of defined benefit obligation

| | 31 August 2015 |
|------------------------|---------------------------|
| | £ |
| At 1 September | 441,000 |
| Current service cost | 92,000 |
| Interest cost | 18,000 |
| Employee contributions | 19,000 |
| Actuarial losses | <u>4,000</u> |
| At 31 August | <u>574,000</u> |

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

| | 31 August 2015 |
|---------------------------|---------------------------|
| | £ |
| At 1 September | 276,000 |
| Expected return on assets | 18,000 |
| Actuarial losses | (11,000) |
| Employer contributions | 72,000 |
| Employee contributions | <u>19,000</u> |
| At 31 August | <u>374,000</u> |

The estimated value of employer contributions for next period is £73,000.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

23 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current period are as follows:

| | |
|--|---------------------------|
| | 31 August 2015 |
| | £ |
| Present value of scheme liabilities | (574,000) |
| Fair value of scheme assets | <u>374,000</u> |
| Deficit in the scheme | <u>(200,000)</u> |
| | 31 August 2015 |
| | £ |
| Experience adjustments arising on scheme assets | (11,000) |
| Experience adjustments arising on scheme liabilities | <u>-</u> |

24 Related party transactions

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

25 Conversion to an academy trust

On 1 September 2014 the Gately Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gatley Academy Trust from the Stockport MBC Local Authority for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

Gatley Academy Trust

Notes to the Financial Statements for the Period from 22 July 2014 to 31 August 2015 (continued)

25 Conversion to an academy trust (continued)

| | Unrestricted fund £ | Restricted general fund £ | Restricted fixed asset fund £ | Total £ |
|------------------------------|---------------------------|---------------------------------|--|------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | - | - | 2,949,982 | 2,949,982 |
| Other tangible fixed assets | - | - | 203,542 | 203,542 |
| Budget surplus on LA funds | 198,610 | - | - | 198,610 |
| LGPS pension deficit | - | (165,000) | - | (165,000) |
| Net assets/(liabilities) | <u>198,610</u> | <u>(165,000)</u> | <u>3,153,524</u> | <u>3,187,134</u> |

The above net assets include £198,610 that were transferred as cash.