

Abbey Multi Academy Trust

Registered number: 07705552

Trustees report and financial statements

For the year ended 31 August 2015

ABBHEY MULTI ACADEMY TRUST

(A company limited by guarantee)

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ABBEY MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

Members

A Nicholl
R Noake

Trustees

K Stewart
F Baker
L Chapman (resigned 17.7.2015)
S Futers (resigned 17.07.2015)
C Green (resigned 25.09.2014)
I Heald (resigned 17.07.2015)
C Kitson, Executive Principal and Accounting officer
C Pyrah
T Raddings (resigned 27.11.2014)
D Stevens (resigned 01.02.2015)
S Simkins
L Wilson (resigned 10.11.2014)
J Rex, Associate Governor
D Ryder, Staff Governor (resigned 27.11.2014)
S Johnston (resigned 27.11.2014)
A Brivonese, Staff Governor (resigned 27.11.2014)
J Waterhouse (resigned 27.11.2014)
P Whitman (appointed 1.11.2014), Chair
H Pratten (appointed 1.11.2014)
J Norden (appointed 1.11.2014)
T Mason (appointed 1.11.2014)

Company registered number: 07705552

Principal and registered office

Butcher Hill, Leeds, West Yorkshire, LS16 5EA

**ABBEY MULTI ACADEMY TRUST
(A company limited by guarantee)**

***TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2015***

Senior management team

C Kitson, Executive Principal
J Norden, Head of School
P Cooper, Deputy Principal
R Cole, Assistant Principal
C Clarke, Assistant Principal
D Whieldon, Assistant Principal
J Lyle, Assistant Principal
T Rothwell Principal
D Stucke Vice Principal
M Harwood Assistant Principal
J Craig Assistant Principal
A Fuller Assistant Principal
A Bemrose Assistant Principal
H Pratten Headteacher
A Dunn Deputy Headteacher

Independent auditors

Mazars LLP, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN

Bankers

Lloyds TSB, PO Box 96, 6-7 Park Row, Leeds, LS1 1NX

ABBEY MULTI ACADEMY TRUST

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TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Structure, Governance, and Management

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 Trust operates two secondary academies and one primary academy in the West Yorkshire area. The academies have a combined number on roll of 3,039.

The Directors act as trustees for the charitable activities of the Academy Trust and are also the Directors of the company for the purposes of company law. The charitable company is known as Abbey Multi Academy Trust.

Details of the Directors who served throughout the year except as noted are included in the Reference and Administrative Information on page 1.

Members' liability

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

Directors' indemnities

The Trust has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on Trust business. Further details are provided in note 13.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association require the appointment of at least 7 Directors.

The MAT Board is comprised of the Chief Executive Officer, Principal and Chair and Vice Chair of LGB from each member Academy. Directors are appointed by members according to skills and experience.

Policies and Procedures Adopted for the Induction and Training of Directors and Governors.

Bespoke training and induction is provided for new Governors and Directors depending on their previous experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Governors and Directors are given a tour of the Academy and the chance to meet with staff and students. They are provided with access to policies, procedures, minutes, accounts, budgets, strategic and development plans in addition to other documents that they need to undertake their role. Governors and Directors are provided with training and are encouraged to access external training on matters such as Child Protection and Safeguarding.

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TRUSTEES REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational Structure

The Directors are responsible for setting the strategic direction of the Abbey Multi Academy Trust. They review and agree the Company's policies and procedures and are responsible for the major decisions of the Abbey Multi Academy Trust.

The Directors meet at least 6 times in each financial year

The Directors have delegated a number of their functions to the Board of Governors (local governing bodies) of Abbey Grange Church of England Academy and St Chad's Church of England Primary. Lightcliffe Academy does not have a local governing body for the period in which the academy is in 'Special Measures'. There is however an advisory group in place for Lightcliffe Academy, although the group has no decision-making powers.

During the year the Multi Academy Trust operated as unified management structure. The structure consists of five levels: the Directors; the Local Governors; The Advisory Group; The Executive Group; and, the Senior Leadership Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting the strategic vision, general policy, adopting an annual development plan and budget, monitoring the Academies use of budgets and making major decisions about the direction of the MAT, capital expenditure and senior staff appointments. They devolve elements of the management of individual schools by means of the Terms of Reference of Local Governing Bodies.

The Local Governing Body operates according to the terms of reference and take responsibility for standards, Health and Safety and effective use of budget.

The Executive Group consists of the CEO, Principals and Headteachers of each academy and who control the Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Executive are responsible for the day to day running of each academy and their Teams. They lead on appointments and Performance Management at each academy as well as spending control. The executive group take a lead on developments in school improvement and standards across the MAT. Some spending control is devolved to members of the Senior Leadership Team.

The Senior Leadership Team includes the relevant member of the Executive Group at each academy and members of the Senior Leadership Team. These leaders are responsible for the day-to-day operation of the Academy, in particular organising the teaching staff, facilities and students. Members of the Senior Leadership Team have delegated budget management responsibilities.

Connected Organisations, including Related Party Relationships

There are no connected organisations. Related party transactions are disclosed in note 24.

Risk Management

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant employees have received training in this area in addition to training on Child Protection.

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TRUSTEES REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, Strategies and Activities

The Multi Academy Trust (MAT) objective is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a MAT with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

In accordance with the articles of association the MAT has adopted a "Funding Agreement" approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy.

Strategic Vision

The 'vision' for the future of the group of academies within Abbey Multi Academy Trust (Abbey MAT) has been shaped through the identification of a number of key thoughts and assumptions that will build a framework within which Abbey MAT will operate. As a Diocesan Multi Academy Trust are committed to working within a caring and Christian ethos. The vision for the academies builds on that already established by Abbey Grange and is:

"To work in partnership with to educate, nurture and empower."

Our vision is that the Academies supported by Abbey MAT will provide an environment which is welcoming, caring, calm, disciplined and purposeful and which will to stretch our young people academically, support them pastorally and help them develop socially and spiritually.

We are committed to raising the skills base across the communities by ensuring a focus on quality, encouraging innovation and strengthening the ethos of the Academies as distinctive schools. The framework will strive to maintain academies which will retain their own independent culture and ethos, whilst operating within a strategic partnership to improve quality, share best practice and operate effectively and efficiently.

We believe the development of Academies will further strengthen the established good practices in operation across each individual Academy. It will:

- Have a positive effect on the young people in the geographical area of West Yorkshire and the Dales Diocese, through the development of a family of provision, from age 3 to 19, aimed at providing outstanding education and training;
- strive for excellence in all areas of school life by developing the skills and knowledge of all our learners, both inside and outside the classroom;
- focus on quality teaching and our commitment to the learner, supported by an outstanding pastoral system rooted in mutually respectful relationships;
- ensure that the needs of disadvantaged learners are addressed to improve their engagement, aspirations and social mobility.

The Abbey MAT will provide opportunities for all learners to access high quality learning programmes through the development of a wider range of contextualised provision. The provision will be enhanced through our active partnerships between the primary and secondary academies, link universities, social enterprise partnerships and our local communities. The sharing and developing of resources and good practice will enable learners to develop their active contribution to the wider society to enhance their opportunities for lifelong learning.

The development of the Academies presents a significant opportunity to expand the well-known and respected 'Abbey Grange' brand, as the founding academy, and will provide the wider opportunity to develop a cohesive

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TRUSTEES REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

and structured strategy for the development of through education, from age 4 to 19. This will enable and encourage progression routes within the region and through working in Partnership with key stakeholders.

A key priority for the region is to meet the ever increasing need for school places in order to meet the rising population. The establishment of an educational family of schools will provide a stable and sustainable platform from which to expand existing provision and to develop new provision, where there is an identified demand.

We are developing a family of Academies that will work together to meet the needs of the learners, both now and in the future, and will meet the vision and the values of the Christian ethos of the Trust, through schools of Church Distinctiveness and those who do not have a faith dimension. We will develop a family of Academies which brings together the cumulative knowledge of providing an outstanding educational experience across the school age and which facilitates progression for the learners from primary to secondary within the family.

We will inspire learners across all age ranges to attain knowledge, develop their skills and knowledge and become enablers for achieving their own aspirations and life choices.

Specifically as a sponsor, we will ensure our Academies raise educational standards by ensuring each Academy will provide:

- a positive, orderly and inclusive atmosphere and ethos, characterised by shared aims and values;
- a strong and positive leadership from all levels of management within the school, beginning with the Principal/Headteacher and Senior Leadership Teams;
- a high and consistent expectation of all learners in terms of attainment, achievement and behaviour;
- a clear and explicit focus on teaching and learning and sharing of good practice amongst staff;
- well developed and manageable procedures for assessing learners' work, setting them challenging targets and reporting the information clearly to both learners and parents;
- opportunities for learners to take their own share of responsibility for their learning and its assessment and where we actively listen to student voice ;
- a healthy school within a physical environment which is as attractive and stimulating as possible;
- a positive behaviour policy which is implemented consistently by all staff and includes a system of rewards and incentives to encourage learners to succeed;
- a wide range of study support and extra-curricular activities to broaden learners' interests and experiences; and
- high levels of parental partnership in the education of their children and in supporting the aims of the school.

Our aim is that children and young people within our family of Academies should develop socially, emotionally and academically, have self-confidence and self-belief and achieve personal success and fulfilment.

The Academies within our family will create a unique symbiotic educational relationship to enable learners to access high quality provision which will raise aspiration across the areas in which we work. This will ensure a style of delivery which places the learner at the centre of the educational process, whilst encouraging the development of both 'hard' and 'soft' transferable skills, in order to meet the demands of employers, the world of work and Higher Education requirements.

Our rationale for developing a network of Academies is that the Trust Board wish to develop a range of high quality provision which supports learners to achieve their full potential through clear progression pathways from primary to secondary school and into further and higher education, apprenticeships and employment with training. This will meet local and regional demands for a qualified workforce who will have the skills and the self-confidence to meet their career aspiration, whilst supporting learners to exceed expectations and to maximise their life chances.

We see the development of a family of Academies as an opportunity to build a joined-up strategy for the development of:

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TRUSTEES REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

- a range of provision, with full progression routes, working in true partnership with key stakeholders, and linking into local, regional and national strategies to develop additional capacity for school places and to engage all, from the academically able and talented to those in the not in employment, education or training (NEET) group;
- core skills in English and Mathematics, and the transferable skills sought by employers; and
- to work in true partnership with schools and other key stakeholders and to eradicate unhelpful duplication and competition, and to share good practice across a group of Academies who have a common mission, vision and purpose.

Overall we have an ambition to create an infrastructure of provision that is distinctive and meets the needs of individuals whether they are learners, parents and carers, employers or other key partners and stakeholders. We believe that we have a moral obligation to improve learning and to ensure that learners are given the opportunity to make the best of their individual life chances and to increase social mobility.

The establishment of a family of Academies will provide the opportunity for the brand and reputation of Abbey Grange to be expanded and built upon, whilst also enabling Abbey Grange to benefit from the sharing of best practice and outstanding teaching and quality models from other schools. In addition, the establishment of a formal organisational structure to provide the back office services to the schools, will enable Abbey Grange to determine a higher quality service that is specifically tailored to meet its needs.

The key objectives for the Abbey Multi Academy Trust family of Academies will be to:

- Pursue excellence in everything we do.
- Provide high quality curriculum opportunities across all age ranges and abilities, in which key academic learning is combined with the development of the whole child.
- Develop and provide an inclusive and supportive culture that is safe, effective, friendly, supportive and stimulating.
- Provide a high quality, inspiring and sustainable learning environment, making the most effective use of the Academy estates.
- Develop and enhance effective external partnerships.
- Attract, develop and retain a highly qualified, skilled and professional workforce that will work together to be outstanding in all that we do.
- Ensure the financial health and solvency of each Academy to enable investment in the vision through the effective utilisation of resources and the sharing of support services.
- Provide a curriculum that is both responsive to local needs and is proactive in providing opportunities that stimulate and build local capacity and progression.

Through the delivery of these objectives we will look to realise a series of key aims within our Academies group:

- To improve pupils' progress of Primary students in all core subjects.
 - To increase the number of Secondary students achieving 5 A* to C at GCSE including English and Mathematics to at least FFTD estimates and to ensure high achievement in Progress 8 measures
 - To ensure high levels of progress for Post 16 students with successful destinations for all
 - For each Academy to be assessed by Ofsted as at least "good" but preferably "outstanding".
 - To ensure all teaching is good or better, through close and regular monitoring and tracking of performance.
 - To install a programme of rigorous Performance Management through focussed staff development days and close monitoring of teachers' S.M.A.R.T targets.
 - To ensure the environment is stimulating and age appropriate.
 - To support all pupils on the SEN register appropriately.
 - To ensure attendance meets the top percentile.
-

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TRUSTEES REPORT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

Specifically as a sponsor we will ensure our Academies raise educational standards by:

- Broadening the curriculum by offering the very best academic and, where appropriate, vocational pathways.
- Ensuring that the curriculum meets the needs of the 'whole child'
- Providing access to the wide range of learning resources and pedagogic expertise existing across Academies within the group.
- Clearly identifying progression pathways for every learner.
- Facilitating personalised learning programmes which enable achievement matching each child's potential

Objectives, Strategies and Activities

To this end the objectives and the strategies used to achieve them include:

Educate:

- Development of Assessment systems to ensure we meet the requirement of the educational landscape of 'Life after Levels'
- Continued and effective use of diagnostic marking throughout each school so that every individual student has full awareness of specific curriculum targets and ways in which each can progress
- All externally examined students will have met / exceeded progress targets
- A minimum of 75% of Key Stage 3 & 4 students on track to achieve at least expected progress during year or across Key Stage as relevant
- To achieve positive value added score against ALPS expected progress measure for Post 16
- Use of effective Self Evaluation and monitoring processes to ensure consistently effective teaching and learning with at least good and outstanding teaching across the Trust

Nurture:

- Measures in place to enhance staff well-being
- Staff follow child protection and safeguarding procedures
- SEN and G&T students make at least expected progress
- Effective delivery of PSHCE curriculum
- The progress gap between vulnerable students and all other students is narrowed
- Positive and effective transition between key stages and throughout their school life

Empower:

- Meeting Teacher Standards and support staff Appraisal
- Planning empowers students' own understanding of their progress in all key stages
- Development of leadership opportunities for both primary and secondary staff and students

Partnerships:

- Abbey Multi Academy Trust and is able to show developments in practice that have been improved through relationships with parents and other partners, including business partners, locally, nationally and globally.
- The website and learning platform are effectively used

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 19.

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TRUSTEES REPORT *(continued)* FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT ACHIEVEMENTS AND PERFORMANCE

The Abbey Multi Academy Trust came into being on November 1 December 2014 and originally consisted of 2 schools (Abbey Grange Church of England Academy and a newly converted primary School, St Chad's Church of England Primary) both with similar Good Ofsted rating. Abbey Grange had been asked by the RSC to sponsor Hipperholme and Lightcliffe High School in September 2014 (a school in Special Measures since May 2014) and the school, re-named as Lightcliffe Academy, joined the MAT on March 1 2015.

We are proud of the improvements in place at Lightcliffe. Since the sponsorship there have been 2 monitoring visits by Ofsted. The latest (November 2015) determined that "The academy is taking effective action towards the removal of special measures" and that "Support from the Abbey Multi Academy Trust has been crucial in accelerating improvements in the academy." This has been achieved whilst achievements at both Abbey Grange and St Chad's have continued to progress and improve.

Key Performance Indicators

Our attainment is below:

Abbey Grange: GCSE	2013 Actual	2014 Actual	2015 Actual
5 or more A*-C Grades	82%	82%	80%
5 or more A*-C Grades (inc Eng & Maths)	71%	74%	73%
5 or more A*-G Grades	99%	99%	99%
A* - C English	82%	87%	84%
Expected Progress (3 or more levels) in English	68%	78%	80%
Better than Expected Progress (4 or more levels) in English	30%	30%	43%
PP/Non-PP Gap (3LP Eng)	-33	-12	-20
A* - C Maths	78%	78%	80%
Expected Progress (3 or more levels) in Maths	71%	73%	75%
Better than Expected Progress (4 or more levels) in Maths	38%	36%	44%
PP/Non-PP Gap (3LP Maths)	-33	-9	-37
English Baccalaureate	34%	33%	38%

Lightcliffe Academy: GCSE	2013 Actual	2014 Actual	2015 Actual
5 or more A*-C Grades	82	66	60
5 or more A*-C Grades (inc Eng & Maths)	55	48	48
5 or more A*-G Grades	97	94	96
A* - C English	73	80	66
Expected Progress (3 or more levels) in English	63	70	59
Better than Expected Progress (4 or more levels) in English	18	23	27
PP/Non-PP Gap (3LP Eng)	-32	-12	-19
A* - C Maths	76	77	63
Expected Progress (3 or more levels) in Maths	61	51	56
Better than Expected Progress (4 or more levels) in Maths	19	13	17
PP/Non-PP Gap (3LP Maths)	-39	-14	-22
English Baccalaureate	7	14	9

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

St.Chad's Statutory Assessment Outcomes: Data	2014 Actual	2015 Actual
Foundation Stage		
EYFSP (Good level of development)	73%	67%
Year 1		
Y1 Phonics Screening Check	70%	77%
Year 2		
Reading L2+	93%	93%
Reading L3+	23%	23%
Reading PP / Non-PP Gap (APS)	+0.7	-2
Writing L2+	87%	87%
Writing L3+	13%	17%
Writing PP / Non-PP Gap (APS)	-0.9	-3
Maths L2+	97%	93%
Maths L3+	23%	33%
Maths PP / Non-PP Gap (APS)	+0.6	-3.6
KS2 SATs		
Reading L4+	86%	86%
Reading L5+	40%	43%
Reading PP / Non-PP Gap (APS)	-1.6	+0.6
Writing L4+	93%	86%
Writing L5+	25%	25%
Writing PP / Non-PP Gap (APS)	-0.6	+0.3
SPAG L4+	75%	86%
SPAG L5+	46%	50%
SPAG PP / Non-PP Gap (APS)	-0.6	+1.2
Maths L4+	86%	86%
Maths L5+	36%	36%
Maths PP / Non-PP Gap	-2.6	+2
L4+ Reading, Writing & Maths Combined	82%	75%
KS2 Percentage of pupils making expected progress		
Reading	86%	96%
Writing	100%	93%
Maths	86%	93%
KS2 Percentage of pupils making more than expected progress		
Reading	18%	50%
Writing	21%	36%
Maths	25%	25%

PLANS FOR FUTURE PERIODS

Our Christian ethos is very important to us and underpins the work of the Trust. This is reflected differently in each of the schools according to the nature of the school. Our focus as a Trust is a persistent drive for improvement whilst still maintaining the ethos of the Multi Academy Trust which is intrinsic to all we do. Particular focus this year is to increase the numbers achieving 3 levels of progress and extending those achieving 4+ levels of progress as well as narrowing the gap for all students eligible for Pupil Premium. This will be achieved by relentless monitoring at all levels and the development of our work with Gifted and talented students.

We intend to grow our Multi Academy Trust at a pace which ensures that we can always be assured of the standards of the schools already within the Trust as well as serving the needs of the Diocese to grow School to School support.

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TRUSTEES REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

Our focus for 2015 -16 will be:

1. Developing our staff

As the most important resource of the MAT, we will ensure that all staff have access to high quality CPD so that we can ensure effective teaching and learning for all students within the Trust. We will ensure that we identify, develop and sustain future leaders as part of our succession planning and will build a team of highly regarded lead practitioners who will lead and develop teaching and learning through school to school support within the Trust

2. Building an effective and rigorous curriculum and assessment model

We will ensure that we continue to develop effective and distinctive experiences for students by underpinning the whole curriculum with mastery of Maths and English at all levels. This will be enhanced by planned programmes delivered through a timetabled curriculum for developing skills of leadership and personal development considered essential by employers. Positive impact of this work will be monitored by our developing assessment practices which will ensure that students are aware of their achievements and through effective feedback know how to improve and make further progress. This will be tracked and analysed by staff at all levels so that assessment is an essential part of every child's continuous progress.

3. Management of transition and Key Stage 3

As a MAT with both primary and secondary students we recognise the need to ensure that there is a deep understanding of learning at all Key Stages which will in turn support effective transition. We will continue to develop our transition models in curriculum and pastoral care so that no students waste their years in Key Stage 3 and continue to progress in their achievements. This will be enhanced by effective use of data systems which will support our effective analysis of all data to drive improvement and efficiency.

FINANCIAL REVIEW

Going concern

After making appropriate enquiries, the Board of Director's 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 Report for the year

Most of the Trust's income is obtained from the Department for Education (DfE) via 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 DfE/EFA during the Period 1 September 2014 to 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE/EFA. 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 fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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TRUSTEES REPORT *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2015

During the year to 31 August 2015, total revenue income was £28,099,000 with total revenue expenditure of £13,554,000. The excess of expenditure over income for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £1,107,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives.

At 31 August 2015 the net book value of fixed assets was £26,171,000 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a deficit of £1,565,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2015 of £25,823,000 comprising £24,741,000 of restricted funds and £542,000 of unrestricted funds.

Financial and Risk Management Objectives and Policies

The Trust is subject to a number of risks and uncertainties in common with other Academy Trusts. The Trust has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report and in the Statement on Internal Control.

Principal risks and uncertainties

The Trust has in place sound risk management and assurance processes. Trustees believe that an affective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance. The principal risks and uncertainties are centred around changes in the level of funding from the DfE/EFA and the requirement to deliver surplus budgets in order to increase levels of reserves. In addition the Trust is a member of two Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Trust balance sheet.

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £542,000 (see note 16). Directors plan to further increase the level of reserves long term, to provide a cushion for unexpected items of expenditure such as unplanned building repairs and unexpected staff sickness levels.

Investment policy

The Academy invests surplus funds through term deposit accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

AUDITORS

Mazars LLP has indicated its willingness to continue in office.

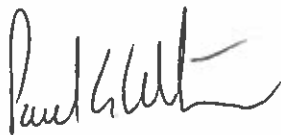
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TRUSTEES REPORT *(continued)*
FOR THE YEAR ENDED 31 AUGUST 2015

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the Directors at a meeting on 9 December 2015 and signed on its behalf by:



Paul Whitman
Chair

ABBAY MULTI ACADEMY TRUST (A company limited by guarantee)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Abbey Multi 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 Chief Executive Officer, 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 Abbey Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body 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 Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Directors	Directors meeting attended	Out of possible
K Stewart (Chair) (resigned as Chair 10 Sept 2015)	6	6
F Baker	5	6
C Kitson (Executive Principal and Accounting Officer)	6	6
C Pyrah	5	6
S Simkins	5	6
T Mason	6	6
H Pratten	6	6
P Whitman (Chair)	5	6
J Norden	6	6

The Finance Committee is a sub-committee of the Trust Board. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the MAT's finances and resources, including proper planning, monitoring and probity.

ABBHEY MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Attendance at meetings in the period was as follows:

Directors	Directors meeting attended	Out of possible
F Baker	4	4
C Kitson (Executive Principal and Accounting Officer)	3	4
S Simkins	4	4
K Stewart	4	4
D Stevens	2	4

The Audit Committee is also a sub committee of the main board of trustees. Its purpose is to maintain an oversight of MAT's internal controls systems, risk management, value for money framework and governance.

Attendance at meeting the year was as follows:

Directors	Directors meeting attended	Out of possible
F Baker	3	3
S Futers	3	3
S Simkins	3	3
K Stewart	3	3
C Kitson (Executive Principal and Accounting Officer)	3	4

Governance Review

Trustees understand the need to keep the effectiveness of their governance work under regular review and will continue to review the effectiveness of the existing governance structure and its capability to support effective governance across the Trust.

Review of Value for Money

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

The accounting officer considers how the 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:

ABBNEY MULTI ACADEMY TRUST

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GOVERNANCE STATEMENT (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2015

- Making efficiencies through economies of scale including the sharing of support services and the appointment of shared trust-wide staff in key posts.
- Completing competitive purchasing exercises in respect of all major procurements in line with the Trust policy and carrying out collective procurement across the Trust.
- Sharing resources and best practice and outstanding teaching and quality models across the Trust.

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 the Trust for the year to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body 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 year to 31 August 2015 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

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

The Board of Directors has appointed TIAA Ltd, a specialist business assurance provider, to carry out an internal audit service. TIAA Ltd will perform a range of checks on the Academy Trust's financial systems. They will report to the Board of Directors, through the Risk and Audit Committee on the operation of the systems of control, and on the discharge of the Board of Directors' financial responsibilities.

Review of Effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the work of the internal assurance provider;

**ABBHEY MULTI ACADEMY TRUST
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**GOVERNANCE STATEMENT (*continued*)
FOR THE YEAR ENDED 31 AUGUST 2015**

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Trust's internal control policy and procedures ensure a robust control framework is in place. This includes: timely budget planning and monitoring, management and oversight of assets, banking, and investment and cash flow practices with appropriate segregation of duties. This framework drives the principles of best value, enabling the priorities in the learning improvement plan to be met in an efficient manner.

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

Approved by order of the members of the Board of Trustees on *9th December* 2015 and signed on its behalf by:



**Paul Whitman
Chair**



**Carol Kitson
Accounting Officer**

Date 10.12.15

ABBHEY MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Abbey Multi Academy Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.



Carol Kitson
Accounting Officer

Date: 10.12.15

ABBHEY MULTI ACADEMY TRUST

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TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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

Company law requires the 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 9.12.15 and signed on its behalf by:



Paul Whitman
Chair of Trustees

ABBHEY MULTI ACADEMY TRUST

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBHEY MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Abbey Multi Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees (who are also the directors of the charitable academy 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. This report is made solely to the 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 members those matters we are required to state to them in an Auditors' 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 charity and the members as a body for our audit work, for this report, or for the opinion we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy'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.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements

**ABBAY MULTI ACADEMY TRUST
(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBAY MULTI ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2015**

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.



Shaun Mullins (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Mazars House
Gelderd Road
Gildersome
Leeds

LS27 7JN

Date: 21 December 2015

ABBHEY MULTI ACADEMY TRUST

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT TO THE TRUSTEES OF ABBHEY MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey Multi 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 Abbey Multi Academy Trust and the EFA in accordance with the terms of our engagement letter dated 22 September 2015. Our work has been undertaken so that we might state to Abbey Multi Academy Trust and the EFA those matters we are required to state to it 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 Abbey Multi Academy Trust and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of Abbey Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Abbey Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 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 and 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.

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.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;

ABBEY MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT TO THE
TRUSTEES OF ABBEY MULTI ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY**

- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

Conclusion

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

Mazars LLP

Shaun Mullins

Reporting Accountant

Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date *21 December 2015*

ABBNEY MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account and statement of total recognised gains and losses)

FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Incoming resources						
Incoming resources from generated funds:						
Assets transferred on conversion	3	87	(1,022)	15,582	14,647	-
Voluntary income	3	-	180	-	180	46
Activities for generating funds	4	1,118	-	-	1,118	590
Investment income	5	3	-	-	3	1
Incoming resources from charitable activities	6	-	11,406	745	12,151	6,442
Total incoming resources		1,208	10,564	16,327	28,099	7,079
Resources expended						
Costs of generating funds:						
Cost of activities for generating funds		665	-	-	665	334
Charitable activities		295	11,834	675	12,804	6,838
Governance costs	7	-	85	-	85	39
Total resources expended	9	960	11,919	675	13,554	7,211
Net (expenditure) / income for the year		248	(1,355)	15,652	14,545	(132)

ABBAY MULTI ACADEMY TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
Other recognised gains and losses						
Actuarial gains and losses on defined benefit pension schemes	22	-	10	-	10	135
Net movement in funds for the year		248	(1,345)	15,652	14,555	3
Total funds at 1 September 2014		294	(519)	10,953	10,728	10,725
Total funds at 31 August 2015		<u>542</u>	<u>(1,864)</u>	<u>26,605</u>	<u>25,283</u>	<u>10,728</u>

All activities relate to continuing operations and acquisitions during the current year.

The notes on pages 28 to 47 form part of these financial statements.

ABBHEY MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	13		26,171		10,953
Current assets					
Debtors	14	702		331	
Cash at bank		<u>1,272</u>		<u>262</u>	
		1,974		593	
Creditors: amounts falling due within one year	15	<u>(1,297)</u>		<u>(299)</u>	
Net current assets			<u>677</u>		<u>294</u>
Total assets less current liabilities			26,848		11,247
Defined benefit pension scheme liability	22		<u>(1,565)</u>		<u>(519)</u>
Net assets including pension scheme liability			<u>25,283</u>		<u>10,728</u>
Funds of the academy					
Restricted funds:					
Restricted funds	16	(299)		-	
Restricted fixed asset funds	16	<u>26,605</u>		<u>10,953</u>	
Restricted funds excluding pension liability		26,306		10,953	
Pension reserve		<u>(1,565)</u>		<u>(519)</u>	
Total restricted funds			24,741		10,434
Unrestricted funds	16		<u>542</u>		<u>294</u>
Total funds			<u>25,283</u>		<u>10,728</u>

ABBAY MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (*continued*)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 9.12.15 and are signed on their behalf, by:



Chair of Trustees

The notes on pages 28 to 47 form part of these financial statements.

ABBHEY MULTI ACADEMY TRUST
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	18	248	154
Returns on investments and servicing of finance	19	3	1
Capital expenditure	19	432	(74)
Cash transferred on conversion	21	327	-
		<hr/>	<hr/>
Increase in cash in the year		1,010	81

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
Increase in cash in the year	<hr/> 1,010	<hr/> 81
Movement in net funds in the year	1,010	81
Net funds at 1 September 2014	<hr/> 262	<hr/> 181
Net funds at 31 August 2015	<hr/> 1,272	<hr/> 262

All of the cash flows are derived from continuing operations and acquisitions during the current year.

The notes on pages 28 to 47 form part of these financial statements.

ABBEY MULTI ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

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

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

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

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

ABBEY MULTI ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

1.4 Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate. This is whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the multi academy Trust to continue as a going concern. The Trustees Make this assessment in respects of at least one year from the date of approval of the financial statements. The Trustees consider that Abbey Multi Academy Trust is a going concern for the next year based on forecasts they have approved.

1.7 Tangible fixed assets

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted

ABBNEY MULTI ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

For assets that have a used economic life of more than 50 years, an impairment review will be carried out on an annual basis on these assets. For assets with a useful economic life of less than 50 years, a review for impairment is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial activities.

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

Freehold property	-	1.67% to 40% straight line basis
Long-term leasehold property	-	1.67% to 40% straight line basis
Motor vehicles	-	20% straight line basis
Fixtures and fittings	-	20% straight line basis
Computer equipment	-	25% straight line basis

1.8 Operating leases

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

1.9 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

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

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 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 22, the TPS is a multi-employer scheme and the academy 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.

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

The LGPS is a funded scheme and the assets are held separately from those of the academy 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.

1.11 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. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Chad's Church of England Primary to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Voluntary income – transfer from local authority on conversion the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. This included land & buildings valued at £2,664,000, of which £553,000 was land, pension asset of £100,000, cash of £158,420 and net current liabilities of £22,067. Further details of the transaction are set out in note 20.

Lightcliffe Academy, a pre existing academy, transferred into the Abbey Multi Academy Trust for £nil consideration. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Voluntary income – transfer from local authority on conversion the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. This included land & buildings valued at £12,828,785, of which £5000,000 was land, other fixed assets of £88,816, a pension liability of £1,122,000, cash of £168,494 and net current liabilities of £217,269. Further details of the transaction are set out in note 2

1.12 Agency arrangements

The academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2015.

3. Voluntary income

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Assets transferred on conversion	87	14,560	14,647	-
Other donations	-	180	180	46
	<u>87</u>	<u>14,740</u>	<u>14,827</u>	<u>46</u>

4. Activities for generating funds

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Catering income	436	-	436	249
Income from facilities and services	220	-	220	92
Educational visits income	312	-	312	143
Supply teacher insurance	36	-	36	35
Other income	114	-	114	71
	<u>1,118</u>	<u>-</u>	<u>1,118</u>	<u>590</u>

5. Investment income

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Short term deposits	3	-	3	1
	<u>3</u>	<u>-</u>	<u>3</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

6. Funding for Academy's educational operations

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	10,688	10,688	6,018
Other DfE/EFA Grants	-	455	455	247
Capital grants	-	745	745	25
	<u>-</u>	<u>11,888</u>	<u>11,888</u>	<u>6,290</u>
Other government grants				
Local authority grants	-	111	111	152
Special Education Projects	-	152	152	-
	<u>-</u>	<u>263</u>	<u>263</u>	<u>152</u>
	<u>-</u>	<u>12,151</u>	<u>12,151</u>	<u>6,442</u>

7. Governance costs

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Auditors remuneration - audit of financial statements	-	15	15	8
Auditors remuneration - other services	-	2	2	6
Support costs	-	39	39	15
Legal and professional fees	-	29	29	10
	<u>-</u>	<u>85</u>	<u>85</u>	<u>39</u>

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

8. Direct costs

	Unrestricted £000	Restricted £000	Total 2015 £000	Total 2014 £000
Teaching and educational support staff costs	-	8,165	8,165	4,402
Depreciation	-	557	557	368
Technology costs	-	175	175	-
Educational supplies	-	470	470	246
Examination fees	295	-	295	118
Staff development	-	41	41	29
Other direct costs	-	118	118	96
Total	<u>295</u>	<u>9,526</u>	<u>9,821</u>	<u>5,259</u>

Support costs

	Unrestricted £000	Restricted £000	Total 2015 £000	2014 £000
Support staff				
Support staff costs	-	1,576	1576	719
FRS 17 service costs	-	92	92	13
FRS17 finance income	-	(58)	(58)	(14)
Depreciation	-	118	118	78
Recruitment and support	-	106	106	45
Maintenance of premises and equipment	-	238	238	123
Cleaning	-	23	23	15
Rent and rates	-	91	91	43
Energy costs	-	166	166	114
Insurance	-	143	143	97
Security and transport	-	51	51	39
Catering	-	-	-	18
Bank interest and charges	-	10	10	-
Other support costs	-	427	427	289
Total	<u>-</u>	<u>2,983</u>	<u>2,983</u>	<u>1,579</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

9. Resources expended

	Staff costs		Total 2015 £000	Total 2014 £000
	2015 £000	Other costs 2015 £000		
Cost of activities for generating funds	-	665	665	334
Costs of generating funds		<u>665</u>	<u>665</u>	<u>334</u>
Charitable activities:				
Direct costs	8,165	1,656	9,821	5,259
Allocated support costs	1,576	1,407	2,983	1,579
Subtotal charitable activities	<u>9,741</u>	<u>3,063</u>	<u>12,804</u>	<u>6,838</u>
Governance costs including allocated support costs	-	85	85	39
	<u>9,741</u>	<u>3,813</u>	<u>13,554</u>	<u>7,211</u>

10. Staff

a. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	7,953	4,195
Social security costs	547	303
Other pension costs (Note 22)	989	525
	<u>9,489</u>	<u>5,023</u>
Supply teacher costs	20	59
Redundancy & compensation payments	<u>232</u>	<u>39</u>
	<u>9,741</u>	<u>5,121</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £127,020 (2014 - £39,000). Nine (2014 - Two) of the non-statutory/non-contractual payments exceeded £5,000, and these were for £37,168, £18,168, £15,952, £12,876, £12,753, £10,537, £7,118, £6,968 and £5,034.

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

c. Staff numbers

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

	2015 No.	2014 No.
Teachers	173	72
Administration and support	175	65
Management	17	6
	<hr/>	<hr/>
	365	143

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
	<hr/>	<hr/>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these employees amounted to £45,722 (2014- £17,087).

11. Central services

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

The Trust provides central services in respect of leadership and financial management. Recharges of actual costs are calculated on an individual basis depending on the needs of the academy.

The academy charges for these services on the following basis:

Time-apportioned

The actual amounts charged during the year were as follows:

	2015 £000
St Chad's Church of England Primary Academy	30
Lightcliffe Academy	<hr/>
	106
	<hr/>
	136

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

12. Trustees remuneration and expenses

Principal and 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 services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

C Kitson, the Executive Principal, received remuneration of £119,800 in 2015 (2014:£91,898) and is accruing retirements benefits under the Teachers' pension Scheme. The contributions paid in the year amounted to £17,054 (2014: £9,687).

J Norden, the School Principal, received remuneration of £82,116 in 2015 and is accruing retirements benefits under the Teachers' pension Scheme. The contributions paid in the year amounts to £11,691.

During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014: £nil) were reimbursed to governors.

13. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost						
At 1 September 2014	4,942	6,831	30	148	273	12,224
Additions	268	-	-	12	31	311
Assets transferred on conversion	12,829	2,664	-	80	9	15,582
At 31 August 2015	18,039	9,495	30	240	313	28,117
Depreciation						
At 1 September 2014	566	483	13	63	146	1,271
Charge for the year	346	202	6	45	76	675
At 31 August 2015	912	685	19	108	222	1,946
Net book value						
At 31 August 2015	17,127	8,810	11	132	91	26,171
At 31 August 2014	4,376	6,348	17	85	127	10,953

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

Long leasehold land and buildings represent land owned by the Church of England and held on Trust by the West Yorkshire and the Dales Diocesan Board of Finance. The land and buildings have been made available to the Academy Trust under a supplemental agreement between the West Yorkshire and the Dales Diocesan Board of Finance and the Academy Trust for as long as the Academy Trust conforms to the terms of the Trust deed.

The gross book value of freehold and long leasehold and buildings includes land with a value of £3,363,000 which is not depreciated.

15. Debtors

	2015 £000	2014 £000
Trade debtors	10	-
VAT repayable	235	93
Other debtors	25	-
Prepayments and accrued income	432	238
	<u>702</u>	<u>331</u>

15. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	488	86
Other creditors	14	-
Accruals and deferred income	680	206
EFA Creditor	115	7
	<u>1,297</u>	<u>299</u>

	£000
Deferred income	
Deferred income at 1 September 2014	146
Resources deferred during the year	250
Amounts released from previous years	<u>(146)</u>
Deferred income at 31 August 2015	<u>250</u>

Of the year end deferred income balance £131,000 (2014: £130,000) relates to funds received in relation to future academy trips, £109,000 (2014: £6,000) relates to grants received for future periods, £10,000 (2014: £9,000) relates to income received on account for school meals and £NIL (2014: £1,000) relates to other deferred income

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

16. Statement of funds

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains £000	Carried Forward £000
Unrestricted funds					
General Funds	294	1,208	(960)	-	542
Restricted funds					
General Annual Grant	-	10,688	(10,987)	-	(299)
Other DfE grants	-	898	(898)	-	-
Pension reserve	(519)	(1,022)	(34)	10	(1,565)
	<u>(519)</u>	<u>10,564</u>	<u>(11,919)</u>	<u>10</u>	<u>(1,864)</u>
Restricted fixed asset funds					
DfE Capital Grants	889	745	(313)	-	1,321
Capital Expenditure from GAG	247	-	-	-	247
Assets donated from local authority	9,817	15,582	(362)	-	25,037
	<u>10,953</u>	<u>16,327</u>	<u>(675)</u>	<u>-</u>	<u>26,605</u>
Total restricted funds	<u>10,434</u>	<u>26,891</u>	<u>(12,594)</u>	<u>10</u>	<u>24,741</u>
Total of funds	<u>10,728</u>	<u>28,099</u>	<u>(13,554)</u>	<u>10</u>	<u>25,283</u>

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development.

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amounts, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balances over 2% must be used for capital purposes.

Restricted fixed asset fund

The restricted fixed asset fund consists of Devolved capital grants from the EFA, Condition Improvement Fund grant and amounts used for capital purchases from GAG.

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

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

Summary of funds

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
General funds	294	1,208	(960)	-	542
Restricted funds	(519)	10,564	(11,919)	10	(1,864)
Restricted fixed asset funds	10,953	16,327	(675)	-	26,605
	<u>10,728</u>	<u>28,099</u>	<u>(13,554)</u>	<u>10</u>	<u>25,283</u>

17. Analysis of net assets between funds

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	26,171	26,171	10,953
Current assets	542	998	434	1,974	593
Creditors due within one year	-	(1,297)	-	(1,297)	(299)
Pension scheme liability	-	(1,565)	-	(1,565)	(519)
	<u>542</u>	<u>(1,864)</u>	<u>26,605</u>	<u>25,283</u>	<u>10,728</u>

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Restricted fixed asset fund	26,605
Pension reserve	(1,565)
Total	<u>25,040</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	2015 £000
Abbey Grange Church of England Academy	311
Lightcliffe Academy	(248)
St Chad's Church of England Primary	180
Total before fixed assets and pension reserve	<u>243</u>
Restricted fixed asset fund	26,605
Pension reserve	(1,565)
Total	<u><u>25,283</u></u>

Analysis of academies by cost

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

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Abbey Grange	4,940	855	273	1,646	7,715
Lightcliffe Academy	2,630	603	162	843	4,237
St Chad's	595	117	35	180	927
Total	<u>8,165</u>	<u>1,575</u>	<u>470</u>	<u>2,668</u>	<u>12,879</u>

18. Net cash flow from operations

	2015 £000	2014 £000
Net incoming resources	14,555	(132)
Returns on investments and servicing of finance	(3)	(1)
Net gift of non cash assets from predecessor school	(14,568)	-
Cash transferred on conversion	(327)	-
Depreciation of tangible fixed assets	675	446
Capital grants from DfE	(745)	(25)
Increase in debtors	(371)	(193)
Increase in creditors	998	61
FRS 17 pension cost less contributions payable	92	13
FRS 17 pension finance income	(58)	(14)
Net cash inflow from operations	<u><u>248</u></u>	<u><u>155</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	3	1
	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(313)	(99)
Capital grants from DfE	745	25
Net cash inflow/(outflow) capital expenditure	432	(74)

20. Analysis of changes in net funds

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Transfers on conversion		327		327
Net cash flow from operating and other activities	262	683	-	945
Cash at bank and in hand	262	1,010	-	1,272

21. Conversion to an academy trust

On 1 November 2014 St Chad's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Abbey Multi Academy Trust from Leeds City Council for £nil consideration.

On 1 March 2015 Lightcliffe Academy, a pre existing academy, transferred into the Abbey Multi Academy Trust 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.

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	15,493	15,493
- Other tangible fixed assets	-	-	89	89
Budget surplus/(deficit) on LA funds	87	-	-	87
LGPS pension surplus/(deficit)	-	(1,022)	-	(1,022)
Net assets/(liabilities)	<u>87</u>	<u>(1,022)</u>	<u>15,582</u>	<u>14,647</u>

The above net assets include £326,914 that was transferred on conversion as cash.

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Aon Hewitt Limited. Both are defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and

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NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

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 £716,949.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £341,000, of which employer's contributions totalled £234,000 and employees' contributions totalled £107,000. The agreed contribution rates for future years are 12.4% for employers and % for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(6,792)	(2,426)
Fair value of scheme assets	5,227	1,907
Net liability	<u>(1,565)</u>	<u>(519)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £000	2014 £000
Current service cost	<u>(326)</u>	<u>(144)</u>

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

	2015 £000	2014 £000
Opening defined benefit obligation	2,426	2,437
Current service cost	326	144
Contributions by scheme participants	107	43
Actuarial Gains	(306)	(199)
Net increase in liabilities from acquisition	4,103	-
Interest cost	178	109
Benefits paid	<u>(42)</u>	<u>(108)</u>
Closing defined benefit obligation	<u>6,792</u>	<u>2,426</u>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	1,907	1,782
Actuarial gains and (losses)	(296)	(64)
Net increases on assets from acquisition	3,081	-
Contributions by employer	234	131
Contributions by employees	107	43
Expected return on assets	236	123
Benefits paid	<u>(42)</u>	<u>(108)</u>
	<u>5,227</u>	<u>1,907</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £125,000 loss (2014 - £135,000 loss).

The academy expects to contribute £319,000 to its Defined benefit pension scheme in 2016.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015	2014
Equities	42.30%	75.10%
Property	7.10%	3.30%
Government bonds	8.70%	10.30%
Corporate bonds	15.60%	5.20%
Cash	4.40%	3.90%
Other	21.90%	2.20%

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

	2015	2014
Discount rate for scheme liabilities	3.80%	3.70%
Rate of increase in salaries	3.50%	3.60%
Rate of increase for pensions in payment / inflation	3.10%	3.10%
Inflation assumption (CPI)	2.00%	2.10%
Inflation assumption (RPI)	3.10%	3.10%

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

	2015	2014
Retiring today		
Males	22.6	22.5
Females	25.5	25.4
Retiring in 20 years		
Males	24.8	24.7
Females	27.8	27.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015	2014
	£000	£000
Defined benefit obligation	(6,792)	(2,426)
Scheme assets	5,227	1,907
Deficit	(1,565)	(519)
Experience adjustments on scheme assets	(296)	(64)

ABBNEY MULTI ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (*continued*) FOR THE YEAR ENDED 31 AUGUST 2015

23. Operating lease commitments

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

	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
Expiry date:				
Within 1 year	-	-	130	2
Between 2 and 5 years	-	-	<u>62</u>	<u>66</u>

24. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has 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. The following related party transaction took place in the period of account:

Mr D Ryder was appointed a staff trustee and director of Abbey Multi Academy Trust Ltd on 1 October 2013. During the year to 31 August 2015, related party transactions took place involving the supply of services from Clearvue, an entity owned and managed by Mr K Ryder (Father) and Mr P Ryder (Brother).

The total value of works equated to £4,059 (2014: £17,964) and there were no amounts outstanding at 31 August 2015.

The standard procurement processes of the trust were followed for these transactions.

These transactions were carried out inadvertently on a 'for profit' basis; however, Mr D Ryder had no direct involvement in the procurement decisions. The buying decisions were agreed by the Governors and the decision was made to cease the use of Clearvue services and this was implemented immediately. David Ryder resigned as a trustee on 27 November 2014.

25. Agency Arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £33,956 and disbursed £17,198. An amount of £16,758 repayable by the Academy Trust at 31 August 2015 is included in creditors.