

Great Academies Education Trust

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

THURSDAY



A56CXL7

A11

05/05/2016

#222

COMPANIES HOUSE

GREAT ACADEMIES EDUCATION TRUST
FINANCIAL STATEMENTS
Year ended 31 August 2015

Contents

	Page
Company Information	3
Trustees' Report	4 – 14
Governance Statement	15 – 18
Statement On Regularity, Propriety And Compliance	19
Statement of Trustees' Responsibilities	20
Auditor's Report on the Financial Statement	21 – 22
Statement of Financial Activities	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements	26 – 45
Reporting Accountant's Report on Regularity	46 - 47

GREAT ACADEMIES EDUCATION TRUST

COMPANY INFORMATION

Year ended 31 August 2015

Members	Position	Date of change
D McLoughlin		
M Frost		
Members & Trustees		
Ian Munro (Chair)	Sponsor Nominee	
Ann Djordjevic	Sponsor Nominee #	
Christine Amyes	Sponsor Nominee #	
Tony Powell	Sponsor Nominee #	
Trustees		
Helen Whittingham	Sponsor Nominee #	
Mark Tweedie	Sponsor Nominee	
Sue Warren	Sponsor Nominee	Resigned 21/01/15
Stephen Ball	Principal Accounting Officer (Co-optee) #	Resigned 31/08/15
Deborah Mason	Principal (Co-optee) #	
Matt Jennings	Principal (Co-optee) #	
David Shaw	Principal & Accounting Officer (Co-optee) #	Appointed 20/04/15
Emma Perry	Sponsor Nominee	Appointed 28/09/15
Paul Stopford	Sponsor Nominee	Appointed 28/09/15

member of the Finance & Audit Committee

Company Secretary: D McLoughlin

Senior Managers:

D Shaw	Principal New Charter Academy
D Mason	Principal Silver Springs Primary Academy
M Jennings	Principal Copley Academy
C Barlow	Director of Finance & Corporate Services

Principal and Registered Addresses:	New Charter Academy	Silver Springs Academy	Copley Academy
	Broad Oak Road Ashton-under-Lyne OL6 8RF	School Crescent Stalybridge Cheshire SK15 1EA	Huddersfield Road Stalybridge Cheshire SK15 3RR

Registered Office: Cavendish 249
Cavendish Street
Ashton-under-Lyne
OL6 7AT

Auditor: RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
3 Hardman Street
Manchester
M3 3HF

Bankers:	Co-operative Bank 1 Balloon Street Manchester M60 4EP	Yorkshire Bank 58 Spring Gardens Manchester M2 1YB
-----------------	---	--

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustee's report and a directors' report under company law.

The Trust operates two secondary academies and one primary academy in Tameside. Its academies have a combined pupil capacity of 2,846 ranging from 3 to 19 years old and had a roll of 2,491 in Autumn 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee (company number 6237630) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. With the exception of the co-optees, the trustees of Great Academies Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the company information section on page 3. The three academies within the Trust are New Charter Academy, Copley Academy and Silver Springs Primary Academy.

Members' Liability

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

Trustees' Indemnities

The Trust is a member of the Department for Education risk protection arrangement (RPA) which includes risk protection for Governors Liability with a liability limit of £5m.

Method of Recruitment and Appointment or Election of Trustees

The Trust currently has 8 trustees and can have a governing body of up to 17 trustees (also referred to as governors) who are appointed in accordance with the Trust's Memorandum and Articles of Association and Governor Recruitment Policy.

The members may appoint up to nine trustees and any number of staff trustees so long as the number does not exceed one third of the total number. The chair of each academy's governing body shall also be appointed as a trustee (up to a maximum of five). In addition two parents must be appointed as trustees by means of an election conducted by the parent governors of each of the Academies Governing Bodies. The trustees may also co-opt up to three trustees onto the Board.

Trustees with the appropriate skills and experience are sought out to ensure a good balance of knowledge and expertise on the Board. A combination of printed press and on-line adverts are used to attract suitable candidates.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board has developed a number of documents to support trustees in their role including a handbook, code of conduct, role profile and competency framework.

A flexible induction process takes place taking into account the skills and experience of the trustee but includes as a minimum meetings with the Chair of the Board and the Chairs and Principals of each Academy.

Trustees receive no remuneration or benefits in respect of their duties as trustees but are reimbursed for expenses incurred in carrying out their duties. During the year, the trustees held 6 Trust Board meetings.

Organisational structure

The trustees meet periodically to receive reports and manage its strategic objectives. In addition to the Trust Board, there are three Academy Governing Bodies and a number of sub-committees which meet to review and discuss key areas in more detail and make recommendations to the governing body.

The day to day management is delegated to the Principals who are supported by a Leadership Team which meets on a frequent basis. The scheme of delegation clarifies those decisions that must be referred to the trustees.

Connected Organisations including Related Party Relationships

The Trust works closely with its sponsor, New Charter Housing Trust Limited, the Department for Education (DfE), Education Funding Agency (EFA), the Local Authority, Tameside Sports Trust, local primary schools and other local organisations to advance for public benefit education for pupils at the Academies and establish links with the local community.

The trustees acknowledge the support of the Trust's sponsor which has been provided in a number of ways, including legal and governance support and HR and payroll services. The EFA provides grant funding to the Trust (details of which are provided in Note 5 to the financial statements).

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's objects are specifically restricted to the following:

- Advancing education in Tameside by:
 - establishing, maintaining, managing and developing schools offering a broad and balanced curriculum
 - providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children
- Promoting in Tameside the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged
- Developing the capacity and skills of those inhabitants of Tameside who are socially and economically disadvantaged in such a way that they are better able to identify and help meet their needs and to participate more fully in society
- Relieving poverty among the inhabitants of Tameside
- Relieving unemployment in Tameside for the benefit of the public in such ways as may be thought fit, including assistance to find employment
- Advancing the health of the inhabitants of Tameside
- Providing recreational and leisure time facilities in the interest of social welfare for the inhabitants of Tameside especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

Our aim is to provide outstanding schools to improve opportunities for and achievement of the children and young people in Tameside.

Objectives, Strategies and Activities

The main objectives of the Trust are summarised below:

- deliver maximum value-added for each student
- improve standards of student attainment in literacy and numeracy
- develop an enriched and extended curriculum with a focus on active citizenship and cultural entitlement
- raise aspirations for individual students, parents and the wider community
- provide high quality buildings, designed to minimise impact on the environment and which encourages learning, self-discipline and community involvement
- provide a high achieving and disciplined environment
- establish centres of excellence in school leadership
- meet the needs of local and regional employers for workforce of the future
- work in collaboration with the Local Authority, schools, colleges and universities
- create a training school culture of continuous professional development for all staff
- establish a viable sixth form
- provide childcare facilities and childcare training for adults to identify and help better meet the needs of children
- promote the physical, intellectual and social development of children, primarily those under five and those who are socially and economically disadvantaged

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Objectives, Strategies and Activities (continued)

The Trust has a number of strategies to aid the achievement of the stated objectives including:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications, including after hours, weekend and holiday classes
- A programme of sport, music and other enrichment activities for all students
- Opportunities for student placements with industrial and commercial partners
- Training opportunities for all staff and especially teaching staff
- A Community Team focussed on links with parents and the community

Among the activities undertaken to achieve the objectives of the Trust are:

- Participation in The Teacher Effectiveness Enhancement Programme (TEEP). TEEP is a teacher professional development programme which aims to improve teachers' classroom practice. Training is run by outstanding teachers, and participant teachers take the role of pupils during the training, in order to gain a deeper understanding of how effective learning behaviours can be encouraged.
- Collaboration with external consultants to identify ways to accelerate student progress across the curriculum
- Appointment of an Every Child A Reader Teacher (Literacy) and an Every Child Counts Teacher (Maths) to provide targeted support for children before they reach year 6.

Public Benefit

The trustees have considered the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The main activities of the Trust are to advance for public benefit education for pupils of different abilities between the ages of 3 and 19, to develop the capacity and skills of Tameside residents who are socially and economically disadvantaged and to promote the provision of facilities for recreation or other leisure time occupation in the interests of social welfare and with the objective of improving the condition of life of Tameside residents.

Equal opportunities

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

Disabled persons

The Trust welcomes applications from candidates with a disability. A cover letter is sent with all application packs which invites applications to be made by other methods such as audio tape, and both within this cover letter and the letter inviting candidates for interview, we invite candidates to inform us if any alternative arrangements need to be made.

Selection panels are not provided with information about whether candidates have a disability at the shortlisting stage, as the equal opportunities monitoring information is removed prior to shortlisting taking place. New starters complete a health questionnaire which enables us to assess whether any adjustments are needed to the working environment.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Disabled persons (continued)

The Trust makes use of an occupational health provider, WellWork. Any employee can request self-referral, and the Academies make regular referrals, most often for staff returning to work after a period of sickness absence, but also for employees who may be encountering difficulties at work, either due to a disability or due to other reasons. The Academies endeavour to act on the advice provided wherever possible, and will consult with the employee to ensure reasonable adjustments are provided.

Disabled employees are entitled to the same opportunities for training, development and promotion as other employees. Opportunities for promotion are advertised within the Academy, and staff wishing to be considered would be entitled to the same adjustments as candidates coming for interview and to have other adjustments considered, thus ensuring there are no barriers to their promotion.

Employee Consultation

The Trust recognises and regularly consults with a number of trade unions for both teaching and non-teaching staff. Regular scheduled meetings are held with full time union officials, and both the Academies and the trade union representatives also request additional meetings whenever the need arises. In addition to consultation with full time officials, local meetings are also held with the internal representatives both on a regular scheduled basis and on an ad hoc basis as required.

Consultation also takes place through staff events, staff questionnaires and a general culture of leaders being available and open to staff feedback.

STRATEGIC REPORT

Achievements and Performance

New Charter Academy

New Charter Academy continues to develop strongly. It is the single most popular school with parents in Tameside; 270 students are now recruited to Year 7 each year, with almost all other year groups at the 270 capacity or very close. The sixth form has expanded year on year, with more students enrolled than ever before as its success increases.

In February 2015 Ofsted inspected the academy identifying that whilst the overall judgement remained at 'requires improvement', significant improvement had taken place. Ofsted noted that both leadership and management, including governance, and the sixth form provision were 'good'. A number of other strengths were identified, including student attendance identified as above the national average.

Achievement at the key threshold level of 5 A* to C grades (including English and mathematics) saw a 4% improvement on the previous year based on first entry – 40% of students achieved this benchmark level. Almost half of all subjects studied in Year 11 achieved results that were almost in line with, or above, the national average with considerable improvement in a number of other key subject areas. Notable strengths include 100% achievement within the single sciences of biology, chemistry and physics, strong performance in French, Global Citizenship and a number of practical subjects, such as technology, drama and media studies. However, the academy remains committed to ensuring that all students achieve at least expected progress or better in all subjects. Since the opening of the academy the number of students leaving to become NEET has declined from 12% to below 2%.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

New Charter Academy (continued)

Sixth form achievement was broadly in line with national outcomes at both A and AS level, despite students entering the sixth form with attainment on entry below the national average. Most importantly 100% of Year 13 students achieved results that enabled them to progress into a University of their choice.

The academy remains a vibrant place with an exceptional enrichment offer. Students have access to a large number of study intervention and additional enrichment activities currently totalling 124, ranging from clubbersize, and model car building to bushcraft and cycling. Given the social context within which the academy operates, an attendance figure of 96% is very high and is an indicator of very positive student attitudes and their enjoyment of academy life.

Silver Springs Primary Academy

Silver Springs has continued on a strong trajectory of improvement. In recognition of the strong team and continually improving performance, school leaders were asked to provide support for local schools that require improvement or are subject to Special Measures, taking a leading role in the specialist Best Practice group for Early Years Foundation Stage.

In addition to a strong performance in terms of teaching and learning, Silver Springs Governing Body has also been recognised for strong governance arrangements with a special commendation, received in June 2015, in the NGA Outstanding Governance Awards.

Silver Springs is just above average in terms of number of pupils on roll and continues to grow, with high numbers of children joining mid-year. The Academy is set in an area of high deprivation with 57% of pupils being eligible for Free School Meals, with some year groups having more than 60%.

Early Years Foundation Stage (EYFS) results and those at Key Stage One have continued to improve and are approaching National / Local Averages in many areas. The impact of a number of initiatives designed to improve school readiness, along with consistently outstanding teaching, is evidenced by significant improvements in the Speech and Language Assessments.

EYFS Profile	2013	2014	LA Average 2014	2015 (Pupil Premium)
Good level of development	15%	47% (+32)	52%	55%
Listening	41%	78% (+37)	79%	82% (72%)
Understanding	35%	73% (+38)	79%	81% (76%)
Speaking	50%	83% (+33)	78%	84% (80%)

KS1	2013	2014	National Average 2014	2015
L2+	Reading:65% Writing:54% Maths: 70%	Reading: 70% (+5) Writing: 77% (+23) Maths: 84% (+14)	Reading:90% Writing:86% Maths:92%	Reading:81% (+11) Writing:73% (-4) Maths:93% (+9) Combined: 73%

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Silver Springs Primary Academy (continued)

Big gains were made in Maths in Key Stage Two; however, there was an anticipated dip in Reading attainment. Progress in all subjects was strong. These results still represent a considerable achievement particularly based on prior attainment data and the high levels of SEN in the cohort.

KS2 Progress 2015		2014	National Median 2014	Comparison to Average
2 levels Progress	Reading 92% Writing 100%= Maths 100% ^	95% 100% 95%	91% 93% 89%	Above average Above average Above average
3 levels progress	Reading 32% Writing 22% ^ Maths 60% ^^	Reading: 44% Writing: 15% Maths: 22%	35% 33% 35%	Below average Below average Above average

Although currently operating from the predecessor school buildings, Silver Springs was confirmed as one of the schools identified for the Priority School Building Programme managed by the Education Funding Agency (EFA) on behalf of the Department for Education. The academy moved into the new building, located on the existing site, in November 2015.

Copley Academy

Copley Academy has 676 pupils on roll from 11- 16 and is smaller than the average-sized secondary school. Its pupils are drawn from a mixed catchment area that includes pockets of severe deprivation as indicated by a school deprivation indicator of 0.30, this is just below the highest group of schools. The number of pupils eligible for free school meals is significantly higher than the national average, currently 47.4% (National Average 28.2%). The majority of our pupils enter the school with attainment that is lower than the national average. The school is currently judged 'Good' by Ofsted.

Attainment in 2015 was still low but significantly higher than the previous year, rising 12%, with the number of students achieving 5 A*-C including English and Maths reaching 40%. The Progress 8 figure also rose, to -0.17 from -0.37 the previous year, Value Added data shows the school just below National Average but not significantly so. The current projection for the 2016 cohort is to exceed 55% - this will keep Copley on its' upward trajectory and we are confident that this is achievable.

Our current Year 7 is full, with a 30% rise in applications from the previous year, this demonstrates a changing community view of the school. Pupil and parent surveys tell us that pupil behaviour is good and pupils are happy and feel safe at Copley Academy. We have an active choir, Samba band and a thriving partnership with the Royal Exchange theatre. We are part of a pilot project with the Cadet Force and have a large range of extra-curricular sporting activities that our pupils can access. Pupil leadership is a feature of the school. We continue to develop strong links with other schools, both in the UK and overseas, last year our staff and pupils visited Germany, Italy, Turkey and Romania as part of the British Council run Comenius project. We are part of the Erasmus international project for 2015/16.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Key Financial Performance Indicators

The Trust Board received reports on financial performance and management at each meeting. Key information monitored by the Trust Board and Governing Bodies include:

- balanced budget approved by the Trust Board and reported on throughout the year along with regular forecasts (along with assessment of reserves position to address any in-year deficit budget)
- healthy cash balance - surplus cash placed on deposit and sufficient available funds to meet operational needs
- staff costs as a percentage of total income less donations – 75% in 2014/15, 77% in 2013/14, 74% in 2012/13 and 73% in 2011/12.

Going concern

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

FINANCIAL REVIEW

Financial report for the year

The principal sources of funding for the Trust are grants from the EFA, donations and investment income. Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. 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. In addition to the grants received, the Trust recognised fixed asset related voluntary income in prior years in respect of the value of the land and buildings occupied by New Charter Academy and Copley Academy. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

£300,000 (2014: £200,000) voluntary donations were received from related parties. This is shown as unrestricted income.

£2,000,000 permanent endowment fund and other cash not required to meet day to day running expenses is invested in short-term deposit accounts with the Academy's banks. Interest received on these deposits was £67,245 compared to £72,813 in the previous year (£22,076 being interest on the endowment fund 2014: £29,752).

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Financial report for the year (continued)

During the year ended 31 August 2015, total expenditure after accounting for the movement on the pension deficit exceeded recurrent grant funding from the EFA together with other incoming resources. The net movement in funds for the year was £1,044,514. This included depreciation charges on land and buildings of £862,008 and FRS17 pension charges relating to the Local Government Pension Scheme of £559,000. (2014: net movement in funds of £1,813,732 including depreciation charges on land and buildings of £895,709 and FRS17 pension charges of £1,235,000).

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The deficit as at 31 August 2015 is £3.04m (2014: £2.48m). Employer contribution rates rose to 16.5% during the year and are scheduled to increase by a further half a percent, rising to 17% by April 2016. These increased contributions are intended to help reduce the pension scheme deficit balance.

The Academy held fund balances at 31 August 2015 of £46,855,902 comprising £2,000,000 Permanent Endowment Fund, £3,092,450 Unrestricted Fund, £43,670,859 Restricted Fixed Asset Fund, £1,161,593 Restricted General Fund and a pension reserve deficit of £3,039,000.

The Trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

Reserves policy

The trustees 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 trustees have determined that the appropriate level of reserves should be equivalent to 10% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, falling student numbers or no-notice changes in schools funding methodology.

In addition, each Academy considers whether the balance of their reserves is sufficient to meet any anticipated significant investment. Areas currently identified include ICT refresh and development of the building (to accommodate a growing sixth form) at New Charter Academy; and equipment and furnishings for the new building at Silver Springs.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £3,092,450 (2014: £2,839,709). The balance on this reserve mainly comprises charitable donations received from Great Neighbourhoods and is used to fund both discreet initiatives at individual academies and development of the Trust.

Investment policy

The Trust has a preference for banking institutions that have strong ethical values and a low risk profile. In order to manage risk whilst maximising returns, deposits are placed with more than one institution. Only those institutions which meet the criteria set out in the Trust's Treasury Policy are used for the placing of deposits.

GREAT ACADEMIES EDUCATION TRUST

TRUSTEES' REPORT

Year ended 31 August 2015

Principal risks and uncertainties

The Trustees formally review the risk register and matrix on an annual basis and key risks are discussed at Trustee meetings as required. The major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust and its finances have been assessed and appropriate processes and controls have been implemented to minimise and manage risk, including an effective system of internal financial control which is further detailed in the Governance Statement. The main risks identified include:

- * Financial
- * Market and Sector
- * Personnel
- * Business Continuity
- * Safeguarding
- * Health and safety
- * Environmental
- * Legal and compliance

The Trust also monitors and manages risk through the Self Evaluation Framework (SEF) which reports key risks and challenges. Action planning to address areas highlighted and impact of actions taken is reported to the Trust Board directly or via the individual Academy Governing Bodies. The management of financial risk centres on continuing to have strong student numbers and therefore attract maximum funding. This risk is addressed by a marketing programme aimed at prospective students and by driving improvement in academic standards.

The on-going changes in funding methodology and associated reduction in grants received, combined with rising staff costs (in particular significant increases in pension costs for both teaching and non-teaching staff) and high fixed cost of the managed service charges for the building at New Charter Academy present major financial risk and uncertainty for the years ahead.

Plans for future periods

The Trust will strive to improve the performance of all its students and make efforts to ensure its secondary and sixth form students successfully secure employment, further education or training upon leaving New Charter Academy and Copley Academy and its primary students move onto secondary education with the required numeracy and literacy skill levels upon leaving Silver Springs Primary Academy. In addition to academic achievement, the Trust aims to ensure that when students leave, they take other life skills with them.

Moving forward, it is anticipated that further educational institutions will join the Academy Trust.

Auditor

RSM UK Audit LLP (formally Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

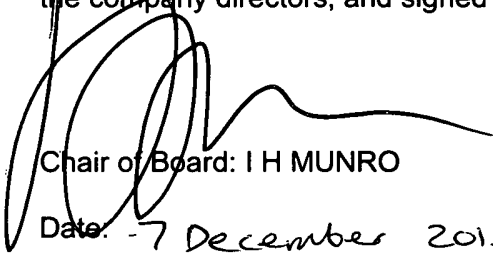
GREAT ACADEMIES EDUCATION TRUST
TRUSTEES' REPORT
Year ended 31 August 2015

Statement as to disclosure of information to auditors

Insofar as the trustees are aware:

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

The report of the trustees, incorporating a strategic report, was approved by the trustees, as the company directors, and signed on their behalf by:



Chair of Board: I H MUNRO
Date: 7 December 2015

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2015

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the 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 Principals, and appointed David Shaw, Principal of New Charter Academy 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 Great Academies Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The 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:

Trustee	Meetings attended	Out of possible
Ian Munro (Chair)	4	6
Ann Djordjevic	5	6
Christine Amyes	6	6
Stephen Ball (Principal - resigned 31/08/15)	3	6
Deborah Mason (Principal)	6	6
Helen Whittingham	5	6
Tony Powell	6	6
Matt Jennings (Principal)	4	6
Mark Tweedie	4	6
Sue Warren (resigned 21/01/15)	0	2
David Shaw (Principal - appointed 20/04/15)	2	2

Governance reviews

Following a skills audit analysis two additional Trustees, Emma Perry and Paul Stopford, have been recruited to the Trust Board for a four year term commencing September 2015. Both post holders bring an excellent mix of skills to the board particularly around Education where the skills audit had identified some gaps.

Governor and Trustee appraisals are held on an annual basis to review effectiveness across the boards. Feedback from the appraisals is used to help shape the training and development calendar for the following academic year. There is a termly training session for all GAET members on subjects such as Safeguarding, Admissions and Exclusions, plus academy specific training appropriate to each governing body. In addition we hold an annual GAET Away Day for all members to look at Governor and Director roles, GAET's vision and objectives and hosts guest speakers. Within the Development brochure Governors and Directors can find a range of information on online resources to which we are subscribing members such as the National Governors Association, Governor e-Learning and The Key. Training records are held centrally by the clerk and are reviewed at individual appraisals to ensure attendance and that Governors are playing an active part in their personal training and development needs.

GREAT ACADEMIES EDUCATION TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2015

Governance reviews (continued)

The Trust has secured the services of a National Leader of Governance to undertake an external review of governance. Work commenced in Autumn 2015 and the findings will be shared in the next annual report.

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to oversee financial reporting and review and approve the audit activity. In addition to the Finance Director, Helen Whittingham, who is a qualified accountant, is a member of the committee. Attendance at meetings in the year is as follows:

Trustee	Meetings attended	Out of possible
Ann Djordjevic	3	4
Christine Amyes	4	4
Tony Powell	4	4
Helen Whittingham	4	4
Stephen Ball	2	4
Deborah Mason	4	4
Matt Jennings	3	4
David Shaw	1	1

Review of Value for Money

As accounting officer the Principal 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:

- **Targeting resources to focus on improving educational results**
The Academy Trust regularly reviews its staffing structure to ensure that staffing levels are appropriate to support the delivery of the curriculum. The on-going reduction in funding levels has renewed the focus on ensuring that the right staff are in post to drive improvement in the key areas. Although staff numbers have reduced in response to budget pressures, more flexible and focused deployment of the remaining staff has enabled the Trust to continue driving improvement.
- **On-going review and challenge of all costs**
The Academy Trust has an established culture of challenging all requested spend – do we need to spend, is there an alternative, more cost effective way of providing, have we secured the best procurement deal? There has been a renewed focus on this in light of the funding cuts with renegotiation of all service contracts as they have come due, benchmarking and sharing cost data across the Trust and seeking ways to secure better deals Trust-wide.

There are opportunities to further expand group procurement and exploit potential economies of scale, and this will be the value for money focus for the next financial year.

GREAT ACADEMIES EDUCATION TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2015

The Purpose of the System of Internal Control

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

Capacity to handle risk

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

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Susanne Dewhurst, the Finance Director of Warrington Collegiate Education Trust, to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis, the reviewer reports to the board of trustees, through the finance and audit committee, on the operation of the systems of control

For the year ending 31 August 2015, the agreed schedule of work was delivered as planned with no control issues arising from the work.

GREAT ACADEMIES EDUCATION TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2015


Review of effectiveness

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


- the work of Susanne Dewhurst (peer review)
- the work of the external auditor
- the work of the directors within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 7 December 2015 and signed on its behalf by:



I H Munro
Chair



D Shaw
Accounting Officer

GREAT ACADEMIES EDUCATION TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2015

As accounting officer of Great Academies Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



D Shaw
Accounting Officer
7 December 2015

GREAT ACADEMIES EDUCATION TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Year ended 31 August 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf by:



Chair of Board: I H MUNRO

GREAT ACADEMIES EDUCATION TRUST
REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF
GREAT ACADEMIES EDUCATION TRUST

We have audited the financial statements of Great Academies Education Trust for the year ended 31 August 2015 on pages 23 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

GREAT ACADEMIES EDUCATION TRUST
REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF
GREAT ACADEMIES EDUCATION TRUST

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:

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



DALE THORPE BSc FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
3 Hardman Street
Manchester
M3 3HF

11 December 2015

GREAT ACADEMIES EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2015
(including income and expenditure account and statement of total recognised gains and losses)

		Permanent Endowment Fund	Unrestricted Fund	Restricted General Funds	Restricted Fixed Asset Funds	Total	Total
	Note	£	£	£	£	2015 £	2014 £
Incoming resources from generated funds							
- Voluntary income	2	-	300,000	-	-	300,000	200,000
- Activities for generating funds	3	-	299,060	-	-	299,060	321,962
- Investment income	4	-	67,245	56,000	-	123,245	89,813
Incoming resources from charitable activities							
- Funding for the Academy Trust's educational operations	5	-	-	14,777,042	159,276	14,936,318	15,103,540
Total incoming resources		-	666,305	14,833,042	159,276	15,658,623	15,715,315
Resources expended							
<i>Costs of generating funds</i>							
Cost of activities for generating funds	6	-	271,305	-	-	271,305	272,548
<i>Charitable activities</i>							
Academy Trust's educational operations	6 / 7	-	-	14,779,607	1,253,260	16,032,867	16,135,375
Governance costs	8	-	-	15,965	-	15,965	18,124
Total resources expended		-	271,305	14,795,572	1,253,260	16,320,137	16,426,047
Net incoming/(outgoing) resources before transfers		-	395,000	37,470	(1,093,984)	(661,514)	(710,732)
Gross transfers between funds		-	(142,259)	118,908	23,351	-	-
Net income / (expenditure) for the year		-	252,741	156,378	(1,070,633)	(661,514)	(710,732)
Other recognised gains and losses							
Actuarial (losses) on defined benefit pension schemes	23	-	-	(383,000)	-	(383,000)	(1,103,000)
Net movement in funds		-	252,741	(226,622)	(1,070,633)	(1,044,514)	(1,813,732)
Reconciliation of funds							
Total funds brought forward at 1 September		2,000,000	2,839,709	(1,650,785)	44,741,492	47,930,416	49,744,148
Total funds carried forward at 31 August		2,000,000	3,092,450	(1,877,407)	43,670,859	46,885,902	47,930,416

All of the academy trust's activities derive from continuing operations during the above two financial periods.

GREAT ACADEMIES EDUCATION TRUST

BALANCE SHEET

As at 31 August 2015

	Note	2015 £	2014 (restated) £
Fixed assets			
Tangible assets	13	43,670,859	44,741,492
		<hr/>	<hr/>
Current assets			
Debtors	14	406,436	327,910
Current asset investments: cash on deposit		4,798,900	3,122,531
Cash at bank and in hand		2,546,056	3,802,986
		<hr/>	<hr/>
		7,751,392	7,253,427
Current liabilities			
Creditors: amounts falling due within one year	15	(1,497,349)	(1,584,503)
		<hr/>	<hr/>
Net current assets		6,254,043	5,668,924
		<hr/>	<hr/>
Total assets less current liabilities		49,924,902	50,410,416
		<hr/>	<hr/>
Pension scheme liability	23	(3,039,000)	(2,480,000)
		<hr/>	<hr/>
Net assets including pension scheme liability		46,885,902	47,930,416
		<hr/> <hr/>	<hr/> <hr/>
Funds of charity			
Restricted funds			
Permanent Endowment Fund	16 & 17	2,000,000	2,000,000
Restricted Fixed Asset Fund	16 & 17	43,670,859	44,741,492
Restricted General Fund	16 & 17	1,161,593	829,215
Restricted Pension Fund	16 & 17	(3,039,000)	(2,480,000)
		<hr/>	<hr/>
		43,793,452	45,090,707
Unrestricted funds			
Unrestricted General Fund	16 & 17	3,092,450	2,839,709
		<hr/>	<hr/>
Total charity funds		46,885,902	47,930,416
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 45 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 7 December 2015 and signed on its behalf and authorised for issue by:

Chair – H Munro

GREAT ACADEMIES EDUCATION TRUST
CASHFLOW STATEMENT
for the year ended 31 August 2015

	Notes	2015 £	2014 £ (restated)
NET CASH FLOW FROM OPERATING ACTIVITIES	19	375,545	426,489
Returns on investments and servicing of finance	20	67,245	72,813
Capital expenditure (net of capital grants received)	21	(23,351)	(64,756)
Management of liquid resources		1,256,930	(2,379,290)
		<hr/>	<hr/>
INCREASE / (DECREASE) IN CASH IN THE YEAR	22	1,676,369	(1,944,744)
		<hr/>	<hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
INCREASE/(DECREASE) IN CASH IN THE YEAR	22	1,676,369	(1,944,744)
Management of liquid resources		(1,256,930)	2,379,290
NET FUNDS AT 1 SEPTEMBER		6,925,517	6,490,971
		<hr/>	<hr/>
NET FUNDS AT 31 AUGUST	22	7,344,956	6,925,517
		<hr/>	<hr/>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

1 STATEMENT OF ACCOUNTING POLICIES

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

Basis of accounting

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' and the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Prior period reclassification

The trustees have reviewed the classification of cash balances and amounts which cannot be withdrawn within 24 hours without financial penalty or forfeiting accrued interest have been included as short term investments. Consequently the prior period amounts have been reclassified.

Going Concern

The trustees have considered the expected availability of funding, grants and contributions and the expected level of resources to be expended for at least 12 months following the approval of these financial statements. Based on this assessment, they have concluded that the going concern basis is appropriate to prepare these financial statements.

Incoming Resources

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

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

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

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

- Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.
- Interest income on cash balances is included in the statement of financial activities on a receivable basis or on an accruals basis where it is assured with reasonable certainty and is receivable at the balance sheet date.

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.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

Resources Expended (continued)

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the academy trust's charitable activities and governance. 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.

- **Costs of Generating Funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**
These are costs incurred on the academy trust's educational operations.
- **Governance Costs**
These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Tangible fixed assets

All assets of a capital nature costing more than £500 and with an expected useful life exceeding one year are capitalised. Tangible fixed assets are stated at cost less depreciation.

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

Leasehold land	0.8%p.a. (reflecting 125 year lease)
Leasehold buildings	2% p.a.
Furniture and equipment	20% p.a.
ICT equipment	33% p.a.

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

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating Leases

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

Taxation

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

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds on behalf of 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. A maximum allowance of 5% of the total bursary funds received may be recognised as a contribution to administration costs in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included within creditors for distribution to students in the following year.

Management of liquid resources

Management of liquid resources relates to movements in cash placed on deposit which cannot be withdrawn within 24 hours without financial penalty or forfeiture of accrued interest.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

2 VOLUNTARY INCOME

	Unrestricted funds £	2015 £	2014 £
Unrestricted			
Income from related parties - Great Neighbourhoods (note 24)	300,000	300,000	200,000
	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2015 £	2014 £
Catering	255,472	251,708
Hire of facilities	16,318	20,840
Other income	27,270	49,414
	<u>299,060</u>	<u>321,962</u>

4 INVESTMENT INCOME

	Unrestricted funds £	Restricted General Funds £	2015 £	2014 £
Bank interest	67,245	-	67,245	72,813
FRS 17 net finance credit	-	56,000	56,000	17,000
	<u>67,245</u>	<u>56,000</u>	<u>123,245</u>	<u>89,813</u>

5 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	New Charter Academy	Silver Springs Academy	Copley Academy	2015 £	2014 £
DfE / EFA revenue grants	£	£	£	£	£
General Annual Grant	8,140,856	1,372,384	3,837,620	13,350,860	13,667,088
Pupil Premium	646,563	231,468	330,047	1,208,078	1,168,792
Capital Grants	27,569	7,480	124,227	159,276	61,616
Nursery Funding	-	93,476	-	93,476	92,748
Other DfE/EFA grants	47,500	46,132	6,250	99,882	81,156
	<u>8,862,488</u>	<u>1,750,940</u>	<u>4,298,144</u>	<u>14,911,572</u>	<u>15,071,400</u>
Other Government Grants					
Local authority grants	8,343	1,400	15,003	24,746	32,140
	<u>8,870,831</u>	<u>1,752,340</u>	<u>4,313,147</u>	<u>14,936,318</u>	<u>15,103,540</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

6 RESOURCES EXPENDED

	Staff Costs	Non-Pay Expenditure		2015	2014
		Premises	Other		
	£	£	£	£	£
Costs of activities for generating funds	158,479	15,833	96,993	271,305	272,548
Academy's educational operations:					
Direct costs	10,239,287	-	914,969	11,154,256	11,546,038
Support costs	1,589,260	2,240,712	1,048,639	4,878,611	4,589,337
	<u>11,987,026</u>	<u>2,256,545</u>	<u>2,060,601</u>	<u>16,304,172</u>	<u>16,407,923</u>
Governance costs (note 8)	-	-	15,965	15,965	18,124
	<u>11,987,026</u>	<u>2,256,545</u>	<u>2,076,566</u>	<u>16,320,137</u>	<u>16,426,047</u>

Net incoming resources for the year is stated after charging:

	2015 £	2014 £
Operating leases:		
- Plant and machinery	8,603	11,922
- Other leases	12,581	14,008
	<u>21,184</u>	<u>25,930</u>

Fees payable to RSM UK Audit LLP are shown within note 8.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

7 CHARITABLE ACTIVITIES – ACADEMY TRUST EDUCATIONAL OPERATIONS

	2015 £	2014 £
DIRECT COSTS		
Teaching and educational support staff costs, including supply staff	10,239,287	10,452,021
Depreciation	74,278	71,352
Technology	49,464	57,929
Educational supplies	368,098	478,644
Examination fees	156,197	157,258
Staff development	44,116	58,294
Educational consultancy	24,071	21,742
Travel and trips	17,608	44,413
Other direct costs	181,137	204,385
	<u>11,154,256</u>	<u>11,546,038</u>
SUPPORT COSTS		
Support staff costs	1,589,260	1,488,797
Depreciation	1,178,982	938,075
Technology costs	255,797	261,604
Recruitment	54,484	21,381
Maintenance of premises	441,128	497,428
Maintenance of equipment	-	5,633
Cleaning	24,486	49,902
Operating lease rentals	21,184	25,930
Rent and rates	205,714	181,651
Energy costs	390,401	463,976
Insurance	117,822	143,577
Security and transport	6,294	8,561
Catering	123,832	125,236
Bank interest and charges	2,892	2,428
Other support costs	466,335	375,158
	<u>4,878,611</u>	<u>4,589,337</u>
TOTAL DIRECT AND SUPPORT COSTS	<u>16,032,867</u>	<u>16,135,375</u>

8 GOVERNANCE COSTS

	2015 £	2014 £
Auditor's remuneration - Audit of financial statements	11,650	11,650
- Teachers' pension return	750	2,000
- Regularity Audit	2,250	2,250
- AAR Audit	950	950
- Travel & disbursements	365	320
Other professional fees	-	954
	<u>15,965</u>	<u>18,124</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

9 STAFF

Staff costs

Staff costs during the period were:	2015 £	2014 £
Wages and salaries	9,324,865	9,718,127
Social security costs	691,799	723,699
Other pension costs	1,539,489	1,441,850
	<u>11,556,153</u>	<u>11,883,676</u>
Supply staff costs	196,727	136,910
Staff restructuring costs	234,146	84,761
	<u>11,987,026</u>	<u>12,105,347</u>

Staff severance payments

There are two non-statutory/non-contractual severance payments included in staff restructuring totalling £19,175 (2014: £20,000). Individually the payments were £16,175 and £3,000. In addition, approval was sought and received from the EFA to make an ex-gratia payment of £200,000 in the period in respect of a settlement payment to a former employee.

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2015 No. Actual	2015 No. FTE	2014 No. Actual	2014 No. FTE
Teachers	169	163	183	176
Administration and support	188	145	199	151
Management	6	6	6	6
	<u>363</u>	<u>314</u>	<u>388</u>	<u>333</u>

Eight employees earned more than £60,000 per annum (including taxable benefits but excluding employer's pension contributions) during the year ended 31 August 2015. The total emoluments of these employees were in the following ranges:

	2015	2014
£60,001 - £70,000	3	3
£70,001 - £80,000	2	3
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Seven of the employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £72,546 (2014: £87,774). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £12,212 (2014: £11,297).

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

10 CENTRAL SERVICES

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

- Human Resources
- Financial Services
- Legal Services
- Health & Safety Services

The Trust charges for these services as a percentage of income. The actual amounts charged in 2015 were as follows:

	2015 £'000	2014 £'000
New Charter Academy	198	166
Copley Academy	96	80
Silver Springs Primary Academy	36	29
	<hr/> 330 <hr/>	<hr/> 275 <hr/>

11 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION & EXPENSES

Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014 - £nil) was reimbursed.

Stephen Ball, who was both a Principal and Accounting Officer (and retired in August 2015), received remuneration of £133,308 during the year (2014:£129,659). The new Principal, David Shaw, joined the Trust at the start of the Summer Term, received remuneration of £36,388 in 2015 (2014:£nil), is accruing retirement benefits under the Teachers' Pension Scheme and had accrued entitlement of £15,185 under the scheme at the year end with an accrued lump sum of £45,556. The contributions paid in the year amounted to £5,131 (2014: £nil).

The value of the other Principals' remuneration was as follows:

D Mason (principal and co-optee trustee)	£70,000 - £80,000 (2014: £70,000 - £80,000)
M Jennings (principal and co-optee trustee)	£90,000 - £100,000 (2014: £90,000 - £100,000)

12 TRUSTEES AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has arranged for appropriate cover to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The Academy Trust is a member of the Education Funding Agency's Risk Protection Arrangement which provides cover for Governors, Officers and Trustees with a liability limit of £5m. The cost of this insurance is included in the total insurance cost.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

13 TANGIBLE FIXED ASSETS

	Land & Building £	Furniture and Equipment £	ICT equipment £	Total £
Cost				
As at 31 August 2014	45,831,000	618,146	521,412	46,970,558
Additions	-	140,387	42,240	182,627
At 31 August 2015	<u>45,831,000</u>	<u>758,533</u>	<u>563,652</u>	<u>47,153,185</u>
Depreciation				
As at 31 August 2014	1,681,476	220,914	326,676	2,229,066
Charge in year	862,008	234,270	156,982	1,253,260
At 31 August 2015	<u>2,543,484</u>	<u>455,184</u>	<u>483,658</u>	<u>3,482,326</u>
Net book value				
At 31 August 2015	<u>43,287,516</u>	<u>303,349</u>	<u>79,994</u>	<u>43,670,859</u>
At 31 August 2014	<u>44,149,524</u>	<u>397,232</u>	<u>194,736</u>	<u>44,741,492</u>

On 1st April 2012, Silver Springs Primary Academy entered into a 125 year lease in respect of the building that they occupy. No amount has been included in respect of this site as they moved into a new building in Autumn 2015. The land and building occupied during the financial year has been valued by the EFA at 31st March 2013 at £3,243,000 (land £1,776,000, building £1,467,000).

On 24th August 2012, New Charter Academy entered a 125 year lease in respect of the building that they now occupy. The land and building were valued by Tameside MBC at £38,228,000 (land £3,552,000, building £34,676,000). This value has been taken as the deemed cost and is reflected within the accounts.

On 1st February 2013, Copley Academy entered into a 125 year lease in respect of the building that they occupy. This was valued by the EFA at 31st March 2013 at £7,603,000 (land £999,000, building £6,604,000) on a depreciated replacement cost basis which has been taken to be the fair value of the asset. In addition, equipment and furniture transferred was included at written down value at date of conversion.

14 DEBTORS

	2015 £	2014 £
Prepayments & accrued income	287,091	262,480
HMRC - VAT debtor	96,474	52,465
Other debtors	22,871	12,965
	<u>406,436</u>	<u>327,910</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	357,952	162,060
Other creditors	26,989	34,181
Accruals	657,576	833,648
Deferred Income	251,110	179,894
EFA creditor : abatement of GAG	-	153,915
Other taxation and social security	203,722	220,805
	<u>1,497,349</u>	<u>1,584,503</u>

	2015 £
Deferred income	
Deferred income at 1 September 2014	179,894
Resources deferred in the year	246,489
Amounts released from previous years	(175,273)
	<u>251,110</u>
Deferred income at 31 August 2015	<u>251,110</u>

Deferred income at 31 August 2015 includes universal infant free school meals, Autumn 2015 Nursery funding, rates reimbursement and sports funding which relates to financial year 2015/16.

16 FUNDS

	Balance at 31 August 2014 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	719,007	13,350,860	(13,137,390)	118,908	1,051,385
Start up grant	110,208	-	-	-	110,208
Other grants	-	1,426,182	(1,426,182)	-	-
Pension reserve	(2,480,000)	56,000	(232,000)	(383,000)	(3,039,000)
	<u>(1,650,785)</u>	<u>14,833,042</u>	<u>(14,795,572)</u>	<u>(264,092)</u>	<u>(1,877,407)</u>
Endowment	2,000,000	-	-	-	2,000,000
Restricted fixed asset fund	44,741,492	159,276	(1,253,260)	23,351	43,670,859
Total restricted funds	<u>45,090,707</u>	<u>14,992,318</u>	<u>(16,048,832)</u>	<u>(240,741)</u>	<u>43,793,452</u>
Unrestricted funds	<u>2,839,709</u>	<u>666,305</u>	<u>(271,305)</u>	<u>(142,259)</u>	<u>3,092,450</u>
TOTAL FUNDS	<u>47,930,416</u>	<u>15,658,623</u>	<u>(16,320,137)</u>	<u>(383,000)</u>	<u>46,885,902</u>

Income generated from endowed investments has been credited to unrestricted funds.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

16 FUNDS (continued)

Analysis of academies by fund balance:

	Balance at 31 August 2014 £'000	Net movement in funds 2015 £'000	Balance at 31 August 2015 £'000
New Charter Academy	1,175	371	1,546
Silver Springs Primary Academy	311	138	449
Copley Academy	135	(37)	98
Trust (including donations and central services)	2,048	113	2,161
Total before fixed assets and pension reserve	3,669	585	4,254
Endowment	2,000	-	2,000
Restricted fixed asset fund	44,741	(1,070)	43,671
Pension reserve	(2,480)	(559)	(3,039)
Total net movement in funds for the year ending 31st August 2015	47,930	(1,044)	46,886

Restricted incoming resources must be used by the academy to deliver and improve educational provision. The restricted fixed asset fund includes the Devolved Formula Capital Grant and land and buildings.

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

Analysis of academies by cost:

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excl Dep'n) £'000	Total £'000
New Charter Academy	5,793	776	435	1,667	8,671
Silver Springs Primary Academy	1,214	156	99	194	1,663
Copley Academy	3,119	457	254	572	4,402
Academy Trust	10,126	1,389	788	2,433	14,736

Support staff costs exclude amounts relating to FRS17 pension accounting.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Asset Fund	Fixed Fund	Unrestricted Funds	Restricted General Fund	Endowment Fund	Total
	£	£	£	£	£	£
Balance						
31 August 2015						
Tangible Fixed Assets	43,670,859	-	-	-	-	43,670,859
Current Assets	-	3,092,450	2,658,942	2,000,000	-	7,751,392
Creditors: falling due within 1 year	-	-	(1,497,349)	-	-	(1,497,349)
Pension scheme liability	-	-	(3,039,000)	-	-	(3,039,000)
Funds	<u>43,670,859</u>	<u>3,092,450</u>	<u>(1,877,407)</u>	<u>2,000,000</u>	<u>46,885,902</u>	

18 FINANCIAL COMMITMENTS

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

	2015 £	2014 £
Operating leases in respect of equipment which expire:		
Within one year	10,431	10,780
Within two to five years	4,433	14,099
Over five years	1,260	-
	<u>16,124</u>	<u>24,879</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

19 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net outgoing resources	(661,514)	(710,732)
Depreciation	1,253,260	1,009,426
Capital grants from DfE	(159,276)	(61,616)
Interest receivable	(67,245)	(72,813)
FRS 17 pension cost less contributions payable	232,000	149,000
FRS 17 pension finance (income)	(56,000)	(17,000)
(Increase) / Decrease in debtors	(78,526)	79,173
(Decrease) / Increase in creditors	(87,154)	51,051
Net cash inflow from operating activities	<u>375,545</u>	<u>426,489</u>

20 RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2015 £	2014 £
Interest received	67,245	72,813
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>67,245</u>	<u>72,813</u>

21 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £	2014 £
Purchase of tangible fixed assets	(182,627)	(126,372)
Capital grants from DfE/EFA	159,276	61,616
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>(23,351)</u>	<u>(64,756)</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash on deposit	3,122,531	1,676,369	4,798,900
Cash in hand and at bank	3,802,986	(1,256,930)	2,546,056
	<u>6,925,517</u>	<u>419,439</u>	<u>7,344,956</u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS

The academy's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Greater Manchester Pension Fund. 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 (TPS)

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 too for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3% 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%.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Valuation of the Teachers' Pension Scheme (continued)

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 employers pension cost paid to the TPS in the period £861,834 (2014: £907,922), which were the contributions due for the year. Employer contributions for the financial year ended 31 August 2016 are estimated at approximately £1,024,812.

LOCAL GOVERNMENT PENSION SCHEME

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

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2015 was £569,834 (2014: £536,806) of which employer's contributions totalled £415,574 (2014: £388,857) and employees' contributions totalled £154,260 (2014: £147,948). Employer's contributions are included in the statement of financial activities. The agreed contribution rates as at 31 August 2015 were 16.5% for employers and an average of 6% for employees. Employers contribution rates are scheduled to increase to 17% at April 2016.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013, updated to 31 August 2014 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 Aug 2015	31 Aug 2014
	% p.a.	% p.a.
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions	2.6	2.6
Discount rate for liabilities	3.7	3.7
Expected return on assets	3.7	5.5

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The average future life expectancies at age 65 are summarised below:

	2015	2014
<i>Males</i>		
Current pensioners	21.4	21.4
Future pensioners	24.0	24.0
	<hr/>	<hr/>
<i>Females</i>		
Current pensioners	24.0	24.0
Future pensioners	26.6	26.6
	<hr/>	<hr/>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	Long-term rate of return expected at 31 Aug 2015	Value at 31 Aug 2015	Long-term rate of return expected at 31 Aug 2014	Value at 31 Aug 2014
	%	£'000	%	£'000
Equities	3.7	6,366	6.3	5,802
Bonds	3.7	1,591	3.2	1,471
Property	3.7	530	4.5	490
Cash	3.7	354	3.3	409
Total fair value of assets		<u>8,841</u>		<u>8,172</u>
Present value of scheme liabilities		(11,880)		(10,652)
Deficit in the scheme		<u>(3,039)</u>		<u>(2,480)</u>

The long term rate of return for the period from 1st September 2015 is set at the discount rate as per the forthcoming FRS102 requirement.

The actual return on scheme assets was £192k (2014: £598k). The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period and the rate for the year ended 31 August 2015 was 5.5%.

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
<i>Amounts charged to operating costs</i>		
Current service cost	667	538
Past service cost	-	2
Curtailments	18	-
Total operating cost	<u>685</u>	<u>540</u>
<i>Amounts included in other finance cost:</i>		
Expected return on scheme assets	(463)	(352)
Interest on scheme liabilities	407	335
Total amount (credited)/charged to income and expenditure	<u>(56)</u>	<u>(17)</u>

Actuarial gains and losses

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £2,247,000 (2014: £1,864,000).

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2015 £'000	2014 £'000
Opening defined benefit obligation	10,652	7,007
Service cost	667	538
Interest cost	407	335
Employee contributions	154	148
Actuarial losses	112	2,742
Past service losses	-	2
Losses on curtailment	18	-
Estimated benefits paid	(130)	(120)
	<u>11,880</u>	<u>10,652</u>
Closing defined benefit obligation	<u>11,880</u>	<u>10,652</u>

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

	2015 £'000	2014 £'000
Opening scheme assets	8,172	5,762
Expected return	463	352
Actuarial (losses)/gains	(271)	1,639
Benefits paid	(130)	(120)
Contributions by employer	453	391
Contributions by employees	154	148
	<u>8,841</u>	<u>8,172</u>
Closing scheme assets	<u>8,841</u>	<u>8,172</u>

History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Experience (losses)/gains on scheme assets:	(271)	1,639	433	62	(452)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Experience gains/(losses) on scheme liabilities:	13	(1,664)	-	(8)	(28)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amount recognised in the statement of total recognised gains and losses

	2015	2014
	£'000	£'000
Actuarial (losses) on scheme liabilities	(112)	(2,742)
Actuarial (losses)/gains on scheme assets	(271)	1,639
	<hr/>	<hr/>
Total amount recognised in the statement of total recognised gains and losses	(383)	(1,103)
	<hr/>	<hr/>

Movement in deficit during the year

	2015	2014
	£'000	£'000
Deficit in the scheme at 31 August 2014	(2,480)	(1,245)
Movement in the year:		
Current service cost	(667)	(538)
Employer contributions	453	391
Expected returns on scheme assets	463	352
Interest cost	(407)	(335)
Losses on curtailment	(18)	-
Past service (loss)	-	(2)
Actuarial (loss)/gain	(383)	(1,103)
	<hr/>	<hr/>
Deficit in the scheme at 31 August 2015	(3,039)	(2,480)
	<hr/>	<hr/>

Employer contributions for the financial year ended 31 August 2016 are estimated at approximately £423,000.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

24 RELATED PARTY TRANSACTIONS

The Academy has a close working relationship with its sponsor, New Charter Housing Trust (NCHT), which is related by virtue of common directors. New Charter Housing nominate the majority of trustees (see the trustees' annual report) and provide funding to enable the charity to carry out its charitable objectives. The Academy is also related to Great Neighbourhoods by virtue of common directors.

The building in which Copley Academy resides is attached to Tameside Sports Trust (TST). Copley Academy does not have any internal sports facilities, and therefore these are hired from TST. In addition, TST recharge Copley for shared utilities and both Silver Springs Primary Academy and Copley Academy have purchased swimming lessons and sports coaching from TST during the year. Mark Tweedie, Chief Executive of TST, is a trustee of the trust and Ian Munro, Chair of the trust is also a Director of TST.

The following is a summary of transactions with NCHT and other related parties:

	2015	2014
	£	£
Donation from Great Neighbourhoods included as income	300,000	200,000
Support services invoiced by NCHT included in expenses	(170,806)	(169,305)
Premises costs and sports provision invoiced by TST	(180,500)	(174,420)

There was a trade creditor balance of £81,468 (2014 £2,650) and costs within accruals of £3,000 (2014: £58,210) in respect of New Charter Housing Trust and a trade creditor balance of £15,372 (2014: £15,716) and costs within accruals of £13,976 (2014: £10,012) with Tameside Sports Trust as at 31st August 2015.

In entering into the transactions, the trust has complied with the requirements of the EFA's Academies Financial Handbook.

The charity trustees (with the exception of the Co-optee Principals – see note 11) were not paid or reimbursed expenses during the year and no charity trustee received any emolument or payment for professional or other services.

25 SCHOOLS SPORTS PARTNERSHIP (SSP)

Schools Sports Partnership are groups of schools working together to develop PE and sport opportunities for young people. In 2010 the academy became host to Tameside SSP comprising a partnership development manager, seven local secondary and 34 primary schools. Additionally the academy hosted other smaller community sporting projects. 2011 was the final year for this activity in its previous form, as funding streams for schools sports activities have changed. However the SSP Development Manager remains in post and accesses available funding in order to continue these activities. These sporting projects spent grants of £107,761 in the year. The associated expenditure is excluded from the academy's income and expenditure account on the basis that the Academy acts only as host to these projects.

26 CAPITAL COMMITMENTS

There are no capital commitments at the year end.

GREAT ACADEMIES EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

27 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £16,367 and disbursed £13,690 from the fund. An amount of £10,707 is included in other creditors relating to undistributed funds that is repayable to EFA

GREAT ACADEMIES EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated 28th November 2014 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 Great Academies Education 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 Great Academies Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Great Academies Education Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Great Academies Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Great Academies Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Great Academies Education Trust's funding agreement with the Secretary of State for Education dated 29th March 2012 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

GREAT ACADEMIES EDUCATION TRUST

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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.

For the Audit

RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP)

Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

11 December 2015