

**Carillion Academies Trust**  
(a company limited by guarantee and not having a share  
capital)

**Annual Report and Financial Statements**  
Company number 09323071  
For the period ended 31 August 2015

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## Reference and Administrative Details

### Members

2014) Carillion AMBS Limited (appointed 21 November

Robert Holt (appointed 21 November 2014)  
Anne Ramsay (appointed 21 November 2014)

### Trustees

Robert Holt

### Company Secretary

Anne Ramsay (appointed 25 February 2015)

### Senior Management Team:

#### Managing Director

E.M.Ellison

#### Finance & Resources Director

A.D.Hayday

#### Executive Principal

K Burns

#### Governance & Operations Manager

N Wise

### Company Name

Carillion Academies Trust

### Principal and Registered Office

Carillion House, 84 Salop Street,  
Wolverhampton, WV3 0SR

### Company Registration Number

09323071 (England and Wales)

### Independent Auditor

KPMG LLP  
Quayside House  
110 Quayside  
Newcastle Upon Tyne  
NE1 3DX

### Bankers

NatWest Bank  
Nottingham Smith St Branch  
16 South Parade  
Nottingham  
NG1 2JX

The Trustees, who act as directors for the purposes of company law, present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2015.

The financial statements have been prepared in accordance with:

- the accounting policies on pages 30 to 31 of this document;
- the Funding Agreement with the Secretary of State for Education and Skills;
- the charitable company's Memorandum and Articles of Association;
- the Companies Act 2006;
- the requirements of the Statements of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2005 ('SORP 2005'); and
- the Academies Accounts Direction 2014 to 2015.

## **Report of the Trustees**

The Trustees present their annual report together with the financial statements and auditor's report of the Carillion Academies Trust for the period 21 November 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Tameside. The academy opened on 1 September 2015. It has a pupil capacity of 420 and 52 FTE nursery and had a roll of 62 in the school census on 1 October 2015.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee. The company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Carillion Academies Trust are also the directors of the company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

### **Members' Liability**

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

### **Directors' Indemnities**

The Articles of Association provide that every trustee or other officer or governor or auditor of the Trust may be indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

### **Principal Activities**

The company was incorporated on 21 November 2014. The Trust's objective is to combine educational expertise with business and commercial understanding, supporting academy staff to focus on core teaching and learning and less so on administration and estates management. The Trust will support children and young people to achieve educational success, offering direct access to the world of employment in order to inspire and motivate them to excel and strive for the highest goals in life.

### **Method of Recruitment and Appointment or Election of Trustees**

The Trustees are appointed by the members and are selected to ensure a broad range of skills and expertise. In the early stages, the Trust has kept the number of Directors small to expedite establishment.

However, to support the Board an Advisory Group to the Board was established including members with expertise as Directors of Boards and/or in key disciplines such as HR and previous experience in education (such as acting as a school governor).

## **Report of the Trustees** *(continued)*

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Following appointment new Trustees undertake induction to familiarise themselves with the Trust and their responsibilities as Trustees. Trustees receive training as appropriate to their roles and responsibilities.

### **Organisational Structure**

Carillion Academies Trust is a company limited by guarantee and registered at Companies House under registration number 09323071.

The Trust has clearly set out its structure and decision making in Carillion Academies Trust Approach to Governance, which includes terms of reference for the Trust level Boards and the Local Governing Body level committees and a full scheme of delegation. The Trustees will keep the initial governance structure under review and may adapt it in line with the Trust development.

#### Pre-opening of the first academy:

Trust Board, including within it the Academic & Improvement Board and Finance & Business Board. These boards will act as a Shadow Local Governing Body, supported by the core team of:

Managing Director

Executive Principal

Finance and Resource Director

Project Manager

Administrator

#### The two academy model:

Trust Board, including within it the Academic & Improvement Board, Finance & Business Board and Appeals Committee. These boards will overarch the Local Governing Body, which will also be supported by a staffing & pupil wellbeing committee, a pay committee, a finance and resources committee and an appeals committee. The core team will then consist of:

Managing Director

Executive Principal

Associate Principal

Finance and Resource Director

Project Manager

Administrator

## **Report of the Trustees** *(continued)*

### **Organisational Structure** *(continued)*

Initially the responsibilities of Boards not yet constituted remains with the main Trust Board. The Chief Executive of the Trust is the Accounting Officer. The Board has agreed a separate scheme of delegation explaining the financial approvals levels across the Trust.

The day to day running of the Trust is delegated to the Senior Management Team.

### **Related Parties and other Connected Charities and Organisations**

As a major employer and player in the fields of services and construction, Carillion has a vested interest in contributing to the improvement of the life chances of children and young people by improving the school education they receive and their wider experiences. Carillion Academies Trust is our trust company. Carillion has formed the Trust to strengthen the direct link between business and education and wish to respond positively to and support the government strategy to develop the state sector of education.

Carillion Academies Trust has a vision for education that builds pathways for individuals, focusing on personal progress, academic progress and progress to employment. The focus on these three areas, at an individual level, will enable us not only to remove barriers to achievement, but to inspire individuals by setting their learning in the context of their future aspirations.

Carillion recognises the challenges that we all face in developing and maintaining a vibrant economy and system of social fairness and responsibility in an ever changing and fiercely competitive global society. We know that success in such an environment demands that our young people are prepared and that education and learning underpins this preparation. Maintaining our economy of highly skilled creative industries and commercial concerns requires a supply of well educated, flexible, creative, inspired and motivated people. However, successful individuals on their own are not enough, we need also to support the creation of thriving communities. It is for this purpose that Carillion has established the Trust.

## Report of the Trustees *(continued)*

### Objectives and Activities

#### Objects and Aim

**Carillion Academies Trust has the following objectives and aims**

- a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement; financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants, unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- b) To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

#### Our Aim

We aim to extend opportunities for young people and their communities by raising standards, providing the environmental and cultural conditions for students, teachers and educational leaders to set their aspirations high and realise their goals.

#### Objectives, Strategies and Activities

The Guiding Principles to Achieve Our Mission are:

##### Support

- Provide the best education for every student
- Develop the best teaching staff
- Work with the family, parent or carers

##### Inspire

- Raise the aspirations of every student
- Raise the ambition of our staff
- Work with communities to realise what is possible

##### Motivate

- Provide real life links to learning
- Engage staff in leading edge practice
- Provide the best learning environment and supporting technology

## **Report of the Trustees** *(continued)*

### **Objectives, Strategies and Activities** *(continued)*

#### **Achieve**

- Enable young people to realise opportunity
- Lead the way in education provision
- Be an integrated community

### **Our Strategic Objectives**

In meeting our vision our objectives are clear. We aim to:

- Support all children at primary age, regardless of entry level, to achieve at least national expectations;
- Support all secondary students to achieve qualifications of at least five good GCSEs and / or equivalent industry recognised, vocational qualification;
- Achieve above national average GCSE performance in 5A\*-C grades including English and Mathematics;
- Ensure all Primary Schools exceed the floor targets;
- Support all of our academies to achieve an OFSTED grading of Outstanding; and
- Transform student learning and opportunity through the acquisition of skills and qualifications which enhance their entry into employment.
- Establish a Trust of an appropriate size to make it financially sustainable and to have the capacity to maintain a highly effective, collaborative Trust

### **Achieving Our Vision - The Trust Overall Strategy for Working with Academies:**

#### **Our Strategic Approach**

Our strategic approach looks at the development of the academies as organisations, individual children and young people, the educational community and the Trust as follows:

When joining the Trust, the needs of all new Academies will be audited and assessed in areas including: standards, curriculum, leadership and management, ICT, the learning environment and overall facilities including building condition (Detailed in the Carillion Academies Trust Standards). This audit will result in a bespoke academy improvement plan mapping the route to outstanding in these areas. Having achieved that status they will be offered opportunities to explore best and next practice and support the development of other academies in the Trust.

We are focused on successful outcomes for young people and recognise that this will result from appropriate progression; academically, personally and through good progression routes through to employment. We recognise the need to more closely link education and business. Carillion's representation on the sector skills councils and existing role in apprenticeships and training will be leveraged to provide more direct and relevant links to industry, for our academies, supporting appropriate progression routes.

The investment in leadership at every level from the classroom through to the Trust will ensure quality teaching and learning, leading to the best opportunities. We will develop specific leadership programmes that, in schools required to improve, will focus on leadership. However, as the Trust grows, in good and outstanding schools the focus will widen to include school to school support and leadership across the Trust. Building capacity in our learners and developing in them the skills for effective learning will enable them to be able to learn when, where and what they need, using their own capability, skills and appropriate tools.



## **Report of the Trustees** *(continued)*

### **Our Strategic Approach** *(continued)*

As the Trust grows academies will work together in a 'Leading Edge Partnership'. This will create a national profile and enable the Trust to participate in test bed developments, particularly in the application of new and emerging learning technologies. The undertaking of action research projects and the sharing of practice will be a common feature of this activity. These academies will drive research programmes funded through the Trust and linked with respected research institutions.

We recognise the *importance of our Academies being active members of the local family of schools* in their area. Our Academies will be supported to link with the communities in which they are located but with a global perspective. This will ensure that young people benefit from an aspirational learning community. Working in this way we will not only 'Inspire Minds' but inspire whole communities. We will create an ethos and culture around learning which will foster a sense of natural progression. We will build personal pathways for learning that reflect their talents, ability, aspiration and interests which will include academic strands as well as the strands which lead to industry, commerce, FE, HE, and employment.

### **Our Objectives for the First Year of Operation:**

#### **We aim to:**

- Establish the Academies Trust with robust governance, policies and operating procedures
- Ensure the delivery of the new build primary school in Ashton
- Recruit excellent staff to Inspire Academy
- Establish a strong Local Governing Body
- Attract new pupils to Nursery & Reception at Inspire Academy.
- Create a stimulating learning environment and a curriculum which is robust and appropriate to the circumstances of the Inspire Academy Community
- Understand the community that the new school will service and begin to establish a reputation for Inspire Academy in the Community

### **Our Approach to Achieving Year 1 Objectives:**

- Development of governance and operating procedures created by the Trust Core Team and then reviewed by Carillion corporate teams and independent subject area specialist.
- Development of a Trust team People Plan to ensure all areas of knowledge and expertise are appropriately covered and kept up to date or that where required training programmes are put in place.
- Trust Estates lead, a trained architect, working alongside Tameside MBC and the Construction team to ensure an excellent learning environment delivered on time.
- Thorough recruitment processes developed with HR and industry experts in order to attract and recruit the highest quality staff
- Establishment of a Local Governing Body with a range of experience and expertise, clear committee structures, terms of reference and schemes of delegation.
- Strong marketing programme backed up by individual family home visits as the admissions procedure progressed.

## Report of the Trustees *(continued)*

### Public Benefit

In setting the Carillion Academies Trust objectives and in planning its activities, the trustees have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

### Strategic Report

#### Achievements and Performance

The achievements for 2014/15 are summarised below:

##### 1. Carillion Academies Trust:

- Carillion Academies Trust has been established as a Trust with a Board of Directors and Advisory Group meeting regularly
- Good relationships have been formed with the DfE and with the Regional Schools Commissioners
- Strong operating governance, HR and Finance policies and procedures have been set in place
- Marketing materials including the Trust web site are well developed
- We are approved as the sponsor for two academies and are discussing other opportunities
- A comprehensive operational share point portal, MIS system and Finance system are in place
- We have developed a highly knowledgeable core team skilled in governance, finance, HR and education

##### 2. Inspire Academy

- We have been selected to run 2 academies
- We have completed a successful Readiness for Opening meeting with the DfE & Pre-opening inspection by OFSTED
- The curriculum for Nursery and Reception for 2015/16 academic year has been developed,
- The Executive Principal, Deputy Principal and 2 excellent teachers, 2 Teaching Assistants and Admin staff have been appointed
- Payroll, pension and HR procedures are all in place
- We have raised the profile through the web site, leaflets and posters to the local community and local GP's and Nurseries,
- The Academy prospectus and a range of Newsletters and drop in sessions have kept new parents informed of progress,
- We have an intake of 10 Nursery pupils and 57 Reception pupils to start in September 2015,
- We are already building up a list of Nursery pupils for the September 2016 intake.

## **Report of the Trustees** *(continued)*

### **Key Performance Indicators**

The first trust Academy opened in September 2015 with Nursery and Reception pupils. Therefore, at this time, there is no pupil performance data. The Trust will review and collect appropriate data and has developed a standard Principals' report template to ensure regular review of performance and data.

### **Going Concern**

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

### **Financial Review**

The majority of the Trust's income this financial year has been received from the EFA, Tameside Metropolitan Borough Council and Carillion Services Ltd, all of which are non-recurrent grants. All income is detailed within the financial statements.

£100k was provided and was in the form of an interest free loan from Carillion Services to support the Trust's establishment and working capital. Agreement has been given to draw up to £450k for financial support, all of which is to be repaid during the first 7 years of the Trust's lifetime.

A further sum of £96k has been received from Tameside MBC in the form of start up grant for Inspire Academy. This was to fund the recruitment costs and early employment of the Executive Principal and Deputy Principal in April 2015. The remaining funding was to support the procurement of classroom equipment and help promote the new academy to prospective parents.

During the period ended 31 August 2015 expenditure amounting to £150,002 was incurred or accrued. This was offset by grants receivable from the EFA and TMBC. The Trust achieved an overall net movement in funds of £46,962.

### **Financial and Risk Management Objectives and Policies**

Cash flow statements are reported to the Trust Board and Finance and Business Advisory Group as part of the quarterly management accounts.

Employees are able to belong to one of two defined benefit pension schemes – the Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). The assets of the LGPS are held in separate trustee administered funds (Greater Manchester Pension Fund). The Trust's share of the assets and liabilities of the LGPS as at 31 August 2015 was £zero as no employees were part of this fund

## Report of the Trustees *(continued)*

### Reserves Policy

The Trust held a fund balance of £46,962 comprising £46,918 restricted non fixed asset funds and £44 unrestricted reserves.

All restricted general funds come via grants received from the DfE/EFA and the Local Authority. The unrestricted funds incorporate other income including interest receivable on the bank deposit account, sponsor (Carillion) grants, uniform receipts, trips, lettings and other facility income. The Trustees would like to build up a prudent level of reserves over a period of time in accordance with the Investment and Reserves Policy which is reviewed annually.

The target level of reserves is considered as part of the review of the Investment and Reserves Policy, which is set at £250,000.

### Investment Policy

The Board of Trustees has approved an Investment and Reserves Policy in relation to the investment of surplus funds and this is reviewed on an annual basis.

The aim of this policy is to ensure that funds, which the Trust and its Academies does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise income but without risk.

The purpose of the Investment and Reserves Policy is to:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- To ensure there is no risk of loss in capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds
- To ensure value for money
- To exercise care and skill in investment decisions, taking advice as appropriate from a professional advisor
- To ensure that security takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interest of the trust and command broad public support.

Regular cash flow reports are prepared and monitored to ensure there are adequate funds to meet all payroll related commitments and outstanding creditors that are due for payment.

Currently, surplus funds are invested with the existing bankers RBS. It is intended that when balances are large enough then a high interest deposit account is opened for surplus balance investments. The aim is to reach an appropriate level of reserve to allow the management and Finance & Business Board to explore alternative investment possibilities.

## **Report of the Trustees** *(continued)*

### **Principal Risks and Uncertainties**

#### **Risk Management:**

The Trust's approach to risk management is reviewed annually by the Trustees.

The Trust has a system of internal control which incorporates risk management together with a number of elements designed to create an effective and efficient operating environment, enabling the Trust to respond to operational, financial, commercial and educational risks. These elements include:

- Policies and procedures; attached to significant risks are a series of policies and procedures that underpin the control process. The policies are set by the Trustees and implemented across the Trust
- Strategic planning & budgeting; the strategic planning and budgeting process is used to set objectives, agree action plans and allocate resources. Progress with such plans is monitored regularly by the Trust board and the Local Governing Body
- Risk Management Plan; Detailed risk management plans form part of the risk register at a Trust and academy level.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk. It is based on an ongoing process designed to identify and prioritise the risks to achievement of the Trusts aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised. It enables the Trust to manage them efficiently, effectively and economically.

#### **Capacity to Handle Risk:**

The Trustees have reviewed the key risks to which the 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 an effective, formal process for identifying and managing the Trusts risks has been in place for the period up to the date of approval of the annual report and financial statements.

## Report of the Trustees *(continued)*

### **Risk Control Framework:**

The Trust 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 of the Academy Finance Committee reports, which indicate financial performance against forecasts and major purchase plans and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

A specific process has been commissioned and externally developed to support the internal audit process within the Trust.

### **Review of Effectiveness**

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control and reporting to the Trustees.

### **Identified Risks:**

Carillion Academies Trust faces a broad spectrum of risk and uncertainties within its operating environment. The key risks are summarised below:

- **Outcomes for Children:** Children not making progress in line with or above expectations. This is mitigated through effective, regular monitoring of pupil progress data and appropriate interventions where progress is not rapid enough
- **Funding Uncertainties:** Resulting from the funding of pre-opening and diseconomies funding by the Local Authority. This is mitigated through ongoing discussions with TMBC and the Department for Education and modelling of various funding scenarios
- **Physical and Infrastructure Risks:** Relating to the environment and estates of the Academy Trust. This is mitigated through the completion of appropriate risk assessment, regular health and safety reviews, and appropriate insurance arrangements.
- **Staffing:** the risk of losing key staff, gradually or through illness. This is mitigated through academy cover policies and business continuity plans.

The Academies Trust is pro-active in identifying and managing risk and uncertainty in order to mitigate any potential impact. Trust and Academy risk registers are regularly maintained and reviewed.

The Trust Board have reviewed and refined the following policies and procedures during the year to August 2015:

- Ethics and Integrity Policy
- Registration of Business & Pecuniary Interests
- Whistle Blowing
- Business Continuity Plan
- Risk Registers
- Standard Risk Assessments

## **Report of the Trustees (*continued*)**

### **Identified Risks (*continued*):**

The Finance and Business Board will take responsibility for audit and risk in the next period.

### **Plans for Future Periods**

#### **Our Objectives for the Second Year of Operation:**

**We aim to:**

- Ensure the delivery of the new build primary school in Hyde
- Recruit excellent staff to increase the staff at Inspire Academy and staff the Discovery Academy Hyde
- Establish a strong Local Governing Body for Discovery Academy
- Attract appropriate levels of new pupils to CAT academies
- Create a stimulating learning environment and a curriculum which is robust and appropriate to the circumstances of the Academy Community
- Ensure good level of progress for all academy pupils
- Understand the community that the new academy will service and begin to establish a reputation for CAT in those Community

#### **Our Approach to Achieving Year 2 Objectives:**

- Development of a Trust team People Plan to ensure all areas of knowledge and expertise are appropriately covered and kept up to date or that where required training programmes are put in place.
- Careful monitoring of pupil progress by Local Governing Body and the Trust, supporting the academy staff with intervention if required
- Trust Estates lead, a trained architect, working alongside Tameside MBC and the Construction team to ensure an excellent learning environment delivered on time.
- Thorough recruitment processes developed with HR and industry experts in order to attract and recruit the highest quality staff
- Establishment of a Local Governing Body with a range of experience and expertise, clear committee structures, terms of reference and schemes of delegation.
- Strong marketing programme backed up by individual family home visits as the admissions procedure progressed.

## Report of the Trustees *(continued)*

### Auditor

In so far as the trustees are aware:

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

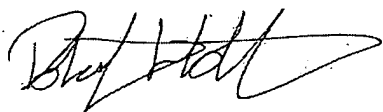
A tendering exercise was undertaken to appoint auditors commencing with the audit of the 2014/15 accounts.

KPMG were appointed as external auditors.

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by order of the Board of Trustees on 31 December 2015 and signed on its behalf by:

Signed



**Robert Holt**  
*Chair of Trustees*

Carillion House  
84 Salop Street  
Wolverhampton  
United Kingdom  
WV3 0SR



## Governance Statement

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Carillion Academies 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 Managing Director 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 Carillion Academies 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings Attended	Out of a Possible
Robert Holt	3	3
Anne Ramsey	3	3
<b>Advisory Group:</b>	6	6
R Holt	6	6
B Duckworth	6	6
L Mortleman	6	6
T Smith	4	6
A Toms	6	6

The Board of Trustees consider that their main challenges during the period to 31 August 2015 have included:

- Uncertainty around funding levels: this has particularly focused around agreeing pre and post opening costs for a targeted basic need school. Whilst this has largely been resolved for Inspire Academy the same discussions will need to be completed for Discovery Academy in the coming year.
- Uncertainty around pupil numbers for a brand new targeted basic need school.

These challenges have been managed through careful financial modelling and maintaining constant dialogue with Tameside MBC and the Department for education

**The Finance and Business Advisory Group** is an advisory group to the main Board and was established in August 2015.

During this period the Finance and Business Group has advised the Board to appoint the external auditors, reviewed the cashflow projections and budget of the new Inspire Academy

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
B Duckworth	2	2
R Holt	2	2
L Mortleman	2	2
A Toms	2	2
M Ellison	2	2
K Burns	2	2
T Smith	1	2

## **Governance Statement** *(continued)*

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

As accounting officer the Chief Executive 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 Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Carillion Academies Trust for the period 21<sup>st</sup> November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 21<sup>st</sup> November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The Risk and Control Framework**

The 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.

Given the limited transactions in to 31 August 2015, the Trustees considered that it was not necessary to appoint an internal audit function at this stage.

### **Review of Effectiveness**

As Accounting Officer, the Managing Director has responsibility for reviewing the effectiveness of the system of internal control. During the period to 31 August 2015 the review was informed by:

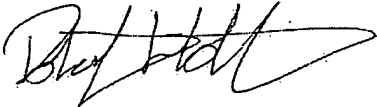
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

**Governance Statement** *(continued)*

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

Approved by order of the members of the Board of Trustees on 31 December 2015 and signed on its behalf by:

Signed



**Robert Holt**  
*Chair of Trustees*

Signed



**Margaret Ellison**  
*Accounting Officer*

## **Statement on Regularity, Propriety and Compliance in respect of the period to 31 August 2015**

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

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

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

Signed



**Margaret Ellison**  
*Accounting Officer*

*31 December 2015*

## Statement of Trustees' Responsibilities in respect of the Trustees' Report and Financial Statements to 31 August 2015

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

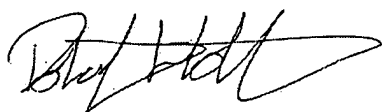
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board of Trustees on 31 December 2015 and signed on its behalf by:

Signed



**Robert Holt**  
*Chair of Trustees*



**KPMG LLP**

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX  
United Kingdom

**Independent Auditor's Report to the members of Carillion Academies Trust**

We have audited the financial statements of Carillion Academies Trust for the period ended 31 August 2015 set out on pages 27 to 39. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2014 to 2015 and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency ('EFA') on terms that have been agreed. 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 auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014 to 2015 issued by the EFA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Directors and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the Trustees (who act as Directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which 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 auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs 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 UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

## **Independent Auditor's Report to the members of Carillion Academies Trust** (continued)

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

In our opinion the information in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



**Mick Thompson, (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Quayside House  
110 Quayside House  
Newcastle upon Tyne  
NE1 3DX

04 January 2016





**KPMG LLP**

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX  
United Kingdom

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

In accordance with the terms of our engagement letter dated 27 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 21 November 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 Carillion Academies Trust (the Academy Trust) and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 10 August 2007 and the Academies Financial Handbook, extant from 21 November 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 21 November 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

## **Independent Reporting Accountant's Assurance Report on Regularity to Carillion Academies Trust and the Education Funding Agency (*continued*)**

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Managing Director on behalf of the Board of Trustees;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the not for profit principles set out in the relevant provisions of the Academies Financial Handbook 2014;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 10.4 of the Academies Accounts Direction 2014 to 2015.

### **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 21 November 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.



**Mick Thompson, (Reporting Accountant)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Quayside House  
110 Quayside House  
Newcastle upon Tyne  
NE1 3DX

04 January 2016

## Statement of Financial Activities

(including Income and Expenditure account and Statement of Total Recognised Gains and Losses)  
for the period ended 31 August 2015

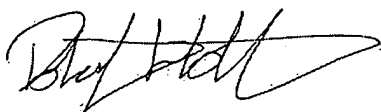
	Note	Unrestricted funds	Restricted non fixed asset funds	Restricted fixed asset funds	Total 2015
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	-	-	-	-
Investment income	3	44	-	-	44
Incoming resources from charitable activities:					
Funding for the Academy's educational activities	4	-	196,920	-	196,920
<b>Total incoming resources</b>		<b>44</b>	<b>196,920</b>	<b>-</b>	<b>196,964</b>
<b>Resources expended</b>					
Charitable activities:					
Academy's educational operations	5	-	(104,840)	-	(104,840)
Governance costs	7	-	(45,162)	-	(45,162)
<b>Total resources expended</b>		<b>-</b>	<b>(150,002)</b>	<b>-</b>	<b>(150,002)</b>
<b>Net incoming resources before transfers</b>		<b>44</b>	<b>46,918</b>	<b>-</b>	<b>46,962</b>
Gross transfers between fund	14	-	-	-	-
<b>Net income for the period</b>		<b>44</b>	<b>46,918</b>	<b>-</b>	<b>46,962</b>
<b>Net movement in funds</b>		<b>44</b>	<b>46,918</b>	<b>-</b>	<b>46,962</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 21 November 2014		-	-	-	-
<b>Funds carried forward at 31 August 2015</b>		<b>44</b>	<b>46,918</b>	<b>-</b>	<b>46,962</b>

All of the Academy's activities derive from continuing operations.

**Balance Sheet**  
*at 31 August 2015*

	Note	2015 £	£
<b>Current assets</b>			
Debtors	11	96,860	
Cash at bank and in hand		136,651	
		<hr/>	
		233,511	
<b>Creditors: amounts falling due within one year</b>	12	(86,549)	
		<hr/>	
<b>Net current assets</b>			146,962
			<hr/>
<b>Total assets less current liabilities</b>			146,962
			<hr/>
<b>Creditors: amounts falling due after more than one year</b>	13		(100,000)
			<hr/>
<b>Net Assets</b>			46,962
			<hr/>
<b>Funds of the Academy:</b>			
Restricted fixed asset funds	14		-
Restricted non fixed asset funds	14		46,918
Unrestricted funds	14		44
			<hr/>
			46,962
			<hr/>

The financial statements on pages 27 to 39 were approved by the trustees, and authorised for issue on 31 December 2015 and were signed on their behalf by:



**Robert Holt**  
*Chair of the Trustees*  
Company number 09323071

**Cash Flow Statement**  
*for the period ended 31 August 2015*

	<i>Note</i>	2015 £
<b>Net cash inflow from operating activities</b>	<i>16</i>	<b>36,607</b>
Returns on investments and servicing of finance	<i>17</i>	44
Financing	<i>18</i>	100,000
<b>Increase in cash in the year</b>	<i>19</i>	<b>136,651</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year		136,651
Cash inflow from change in debt		(100,000)
Movement in net debt in the year		36,651
Net funds at 21 November 2014		-
<b>Net funds at 31 August 2015</b>		<b>36,651</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of Carillion Academies Trust.

#### ***Basis of preparation***

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

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### ***Going concern***

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

#### ***Incoming resources***

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

- Grants receivable

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

- Sponsorship income

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

- Donations

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

- Investment income – interest receivable

Interest receivable is included with the Statement of Financial Activities on a receivable basis.

- Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Resources expended*

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

- 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'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.

All resources expended are inclusive of irrecoverable VAT.

#### *Leased assets*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *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.

#### *Pensions benefits*

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS').

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

#### *Fund accounting*

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

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

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

## Notes (continued)

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Gifts in kind	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>

### 3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Bank interest	44	-	44
	<u>          </u>	<u>          </u>	<u>          </u>

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

	Unrestricted funds £	Restricted funds non fixed assets £	Restricted fixed assets funds £	Total 2015 £
<b>DfE/EFA revenue grants</b>				
Other DfE/EFA grants	-	100,000	-	100,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other Government Grants</b>				
SEN from LA	-	60	-	60
Recovery of CAT costs from LA	-	65,153	-	65,153
Recovery from LA of staff costs	-	31,707	-	31,707
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	96,920	-	96,920
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	196,920	-	196,920
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 5 Resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2015 £
<b>Academy's educational operations</b>				
Direct costs	59,342	-	7,054	66,396
Allocated support costs	-	-	38,444	38,444
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	59,342	-	45,498	104,840
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Governance costs including allocated support Costs (note 7)	-	-	45,162	45,162
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total resources expended	59,342	-	90,660	150,002
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



## Notes (continued)

### 6 Charitable activities – Academy’s educational operations

	Total 2015 £
<b>Direct costs</b>	
Teaching and educational support staff costs	59,342
Educational supplies	6,870
Professional services- Educational	184
	<hr/> 66,396 <hr/>
<b>Allocated support costs</b>	
Rent	3,018
IT Licencing	24,197
Professional services- Non Educational	10,613
Insurance	616
	<hr/> 38,444 <hr/>
	<hr/> <b>104,840</b> <hr/>

### 7 Governance costs

	Total 2015 £
<b>Auditor’s remuneration:</b>	
Audit of financial statements	6,000
Other audit costs	-
Legal and professional fees	39,162
Trustees reimbursed expenses	-
	<hr/> <b>45,162</b> <hr/>

## Notes (continued)

### 8 Staff

#### (a) Staff costs

	2015 £
Wages and salaries	31,704
Social security costs	15,198
Other pension costs	12,440
	<hr/> 59,342
Supply teacher costs	-
Other agency staff payments	-
Staff restructuring	-
	<hr/> 59,342 <hr/>

#### (b) Staff numbers

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

	2015 Number
Charitable activities	
Teachers	2
Administration and support	-
Management	-
	<hr/> 2 <hr/>

#### (c) Higher paid staff

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

	2015 Number
£60,000 - £70,000	1
	<hr/>

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, the pension contributions for these staff amounted to £12,440.

### 9 Related party transactions - Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of the trustees' remuneration was as follows:

Principal and Trustee                      £nil

The Trustees did not receive any reimbursements in relation to expenses in the period.

Other related party transactions are set out in note 22.

## Notes (continued)

### 10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1 million on any one claim and the cost for the period ended 31 August 2015 was £139. The cost of this insurance is included in the total insurance cost.

### 11 Debtors

	2015 £
Trade debtors	-
Other debtors	96,860
	<u>96,860</u>

### 12 Creditors: amounts falling due within one year

	2015 £
Trade creditors	-
Other taxation and social security	7,229
Other creditors	5,197
Accruals and deferred income	74,123
	<u>86,549</u>

### 13 Creditors: amounts falling due after more than one year

	2015 £
Other loans	100,000
	<u>100,000</u>

Carillion Services have provided a £100,000 interest free loan. Whilst no formal loan agreement currently exists, the trustees have received formal assurance that it will not be repayable before 31 August 2016. Carillion legal services are preparing an agreement for signing by the Trust before the end of the first quarter of 2016. This loan agreement will detail that the loan will be interest free and repayable in full before 31 December 2020 but not before 31 August 2016, which is in line with the Trust's long term cash flow forecasts. For this reason the loan has been included within amounts falling due within one year.

## Notes (continued)

### 14 Funds

	Balance at 21 November 2014 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted non fixed asset funds</b>					
Voluntary income	-	-	-	-	-
General Annual Grant (GAG)	-	-	-	-	-
Other DfE/EFA grant	-	100,000	(83,606)	-	16,394
Investment income	-	-	-	-	-
LEA and other grants	-	96,920	(66,396)	-	30,524
Pension reserve	-	-	-	-	-
	<u>-</u>	<u>196,920</u>	<u>(150,002)</u>	<u>-</u>	<u>46,918</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total restricted funds</b>	<u>-</u>	<u>196,920</u>	<u>(150,002)</u>	<u>-</u>	<u>46,918</u>
<b>Unrestricted funds</b>					
Activities for generating funds	-	-	-	-	-
Investment income	-	44	-	-	44
Voluntary income	-	-	-	-	-
	<u>-</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>44</u>
<b>Total</b>	<u>-</u>	<u>196,964</u>	<u>150,002</u>	<u>-</u>	<u>46,962</u>

## Notes (continued)

### 15 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £	Restricted non fixed assets funds £	Restricted fixed asset funds £	Total £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	-	-
Current assets	44	233,467	-	233,511
Current liabilities	-	(86,549)	-	(86,549)
Non-current liabilities	-	(100,000)	-	(100,000)
	<u>44</u>	<u>46,918</u>	<u>-</u>	<u>46,962</u>

### 16 Reconciliation of net incoming resources to net cash inflow from operating activities

	2015 £
Net incoming resources	46,962
Interest receivable (note 3)	(44)
Increase in debtors	(96,860)
Increase in creditors	86,549
	<u>36,607</u>
Net cash inflow from operating activities	<u>36,607</u>

### 17 Returns on investments and servicing of finance

	2015 £
Interest received	44
	<u>44</u>
Net cash inflow from returns on investments and servicing of finance	<u>44</u>

### 18 Financing

	2015 £
Issue of new loan	100,000
	<u>100,000</u>
Net cash inflow from financing	<u>100,000</u>

## Notes (continued)

### 19 Analysis of changes in net funds

	At 21 November 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	-	136,651	136,651
Debt due after more than 1 year	-	(100,000)	(100,000)
	<hr/>	<hr/>	<hr/>
	-	36,651	36,651
	<hr/>	<hr/>	<hr/>

### 20 Members' liability

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

### 21 Pension and similar obligations

The Academy's employees belong to one pension scheme; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012.

Contributions amounting to £12,440 were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2015, by the Teachers' Pension Scheme Regulations 2015. These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.

## Notes (continued)

### 21 Pension and similar obligations (continued)

#### Valuation Of The Teachers' Pension Scheme

The latest actuarial review 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 2015. The valuation report was published by the Department for Education (the Department) on 9 June 2015. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2015/06/publication-of-the-valuation-report.aspx>

#### Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2015 and the reformed scheme will commence on 1 April 2015.

### 22 Related party transactions

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

Carillion AMBS Limited provided Carillion Academies Trust with a £100,000 interest free loan. This is included within creditors due after more than 1 year.