

**The St. Aldhelm's Academy Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year Ended 31 August 2014**

**Company Registration Number:  
06959707 (England and Wales)**

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## Reference and Administrative Details

Members:	Susanne Clarke Resigned 30.06.14 Ann Fernandez Resigned 17.07.14 Anthony Moore Revd David Price Chris Shepperd Venerable Stephen Waine
Governors (Trustees)	Duncan Allard Sue Charman Appointed 21.02.14 Susanne Clarke Resigned 30.06.14 Monica Cross Interim Principal Appointed 20.05.14 till 16.11.14 Ann Fernandez Resigned 17.07.14 Rachael Hemsley Resigned 03.02.14 Cheryl Heron – Principal Resigned 31.05.2014 Peter Homden Vice Chairmen Steve MacLure Resigned 23.11.14 Faysal Mikdadi Resigned 20.05.14 Anthony Moore Chairman Alison Mountford Revd David Price Andrew Rickett Resigned 16.06.14 Chris Shepperd Xavier Velay Resigned 31.05.14 Venerable Stephen Waine
Secretary	Susan Rix Resigned 31.01.14 Veronica Ackerman Appointed 01.02.14
Executive Leadership Team	Principal – Cheryl Heron Resigned 31.05.2014 Interim Principal Monica Cross Appointed 20.05.14 Vice Principal – Allen Bird Vice Principal – Amanda Bibby On secondment for Academic year 2013/14. Returned 1.9.14 Vice Principal – Claire Stretch Interim Operations Director – Susan Rix Resigned 15.02.14 Finance and Operations Director Robin Foster Appointed 01.04.14
Principal and Registered Office	The St. Aldhelm's Academy Trust Herbert Avenue Poole Dorset BH12 4HS
Company Registration Number	06959707

**The St. Aldhelm's Academy**

Independent Auditor

Crowe Clark Whitehill LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire GL50 2QJ

Bankers

Lloyds Bank plc  
Salisbury Branch  
PO Box 1000 BX1 1LT

Solicitors

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
Yorkshire BD1 4DY

## **Governors' Report**

The governors present their annual report together with the financial statements and auditor's report of the Academy Trust for the year ended 31 August 2014. The annual report serves the purposes of both Governors Report and Directors report under company law.

## **STRUCTURE, GOVERNANCE AND REVIEW**

### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust dated 3 July 2009.

The governors act as the trustees for the charitable activities of The St. Aldhelm's Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The St. Aldhelm's Academy.

Details of Governors who served during the year are included in the Reference and Administrative details on Page 2.

### 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.

### Governors' Indemnities

Subject to the provision of the Companies Act, every governor or other officer of the Academy Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which the judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

### Method of Recruitment and Appointment or Election of Governors

Governors are appointed subject to the Memorandum and Articles of Association and are subject to retirement after four years but are eligible for re-appointment at the meeting at which they retire, at each Annual General Meeting of the Academy Trust. The Academy Trust retains a minimum of three Governors at any time, with no maximum and are appointed by majority vote.

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

The training and induction provided to new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy Trust and the chance to meet with staff and young people. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors serving the relevant governing bodies. There are usually one or two new governors each year therefore inductions tend to be informal and tailored to the individual. An annual governor's

## **Governors' Report (continued)**

conference is held during the autumn term where the Academy Trust's Governance strategies and responsibilities are discussed.

### Organisational Structure

The management structure now consists of three levels, the trustees of the Academy Trust, the Board of Governors (also the directors / trustees of the charitable company) and the Executive Leadership Team.

The aim of the Executive Leadership Team structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Governors is responsible for setting general policy within the overall Academy Trust policy framework, adopting an annual plan and budget, monitoring the Academy Trust by reference to budgets and making major decisions including the direction of the Academy Trust, capital expenditure and Executive Leadership Team appointments.

The Board of Governors have established a number of committees to delegate responsibilities for specific areas. The structure of committees for 2013-14 consists of Learning and Progress Committee, Students and Stakeholders Committee, HR Committee, Finance, Audit and Resources Committee and Scrutiny Committee. Each committee has clear terms of reference and reports to the Board of Governors.

The day to day running of the Academy Trust is delegated to the Principal.

The Executive Leadership Team included the Principal, the three Vice principals (one of whom was on secondment), one assistant Vice Principal and an Interim Operations Management Team (which was contracted until the 15.02.14). The Principal resigned on 31.05.14 and an Interim Principal was appointed on the 20.05.14 until 23 December 2014 (date of signing accounts). A Director of Finance and Operations was appointed on the 01.04.2014. The Executive Leadership Team control the Academy Trust at an executive level implementing the policies laid down by the Board of Governors and reporting back to them. As a group, the Executive Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Appointments for posts in the Executive Leadership Team must always be authorised by one of the Board of Trustees.

Some spending control is devolved to members of the Middle Management Team, within clearly defined limits and requiring an Executive Leadership Team member to countersign to authorise.

The Middle Leaders Management Team comprise of four TALCOs (Team Around the Learner Co-ordinators), five Lead Subject Teachers and a SENDCO (Special Education Needs and Disability Co-ordinator). The TALCOs are responsible for the day to day operation of their subject across the Academy Trust.

### Connected Organisations, including Related Party Relationships

The Diocese of Salisbury and Bournemouth University were the Sponsors of the Academy Trust and as such are recognised as connected organisations. Bournemouth University resigned from this role on the 30.06.14.

## Governors' Report (continued)

### Objectives and Activities

#### Objects and Aims

The principle object and activity of the Academy Trust is 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 an academy offering a broad curriculum with a strong emphasis on, but in no way limited to sport and mathematics. In setting the objectives and planning the activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

In accordance with the Articles of Association the Academy Trust has adopted a "Scheme of Government" approved by the Department for Education. The Scheme of Government specifies, amongst other things, the basis for admitting young people to the Academy Trust, the catchment area from which the young people are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on sport and mathematics.

The Academy Trust's vision is summarised below:

The Academy Trust believes that our young people lie at the heart of the community and, as such, must have the fullest access to learning and to other related opportunities such as health, library and leisure that this fully extended, campus based Academy Trust offers.

The Academy Trust will extend this service to the whole community, rooted in a belief that learning is for all, throughout life, in healthy, resilient and reflective communities.

Through our sponsors, the Diocese of Salisbury (Church of England) and Bournemouth University, the Academy Trust will bring together the Christian belief in the imperative of developing and using each of our God given gifts in the service of ourselves and of others with the University's passion for innovative teaching, learning and research.

The Academy Trust will work in partnership with partners on and off the site to improve the opportunities for our young people and the community.

#### Objectives, Strategies and Activities

The Academy Trust will:

- Provide high quality lifelong learning opportunities for all.
- Encourage the development of a resilient, informed and creative community.
- Working in partnership, providing a 'one stop shop' for the needs of our community.
- Provide opportunities for our young people to take on leadership roles.
- Provide internal and external mentors for each young person.
- Encourage and change our young peoples' and community's attitudes to further and higher education.
- Provide opportunities to celebrate success.
- Ensure that all learning opportunities are stimulating, of high quality, flexible and personalised.
- Provide learning environments that are safe, well resourced, flexible and appropriate to effective learning.

## Governors' Report (continued)

### Objectives, Strategies and Activities (continued)

- Provide opportunities for reflection and the recognition and development of the 'spiritual self' as a natural part of the whole learner.
- Provide opportunities for young people to develop the skills of Learning 2 learn, learning to think.
- Have a close relationship with our family of schools to ensure a smooth transition of the young people into the Academy Trust.
- Provide a 6<sup>th</sup> Form to ensure all our young people have full access to the opportunities that will enable them to take up their full role as informed and active citizens and adults.
- Provide learning opportunities for all staff that recognise the needs of the Academy Trust, the community and their own personal needs.
- Provide the highest quality communication and support systems.

The Academy Trust's commitments:

For young people:

- A strong learning culture with teaching focused on developing their capacity for independent learning.
- A personalised learning plan with a choice of curriculum opportunities, within a framework of guidance and support.
- Opportunities to engage fully in stimulating, enjoyable learning activities to develop their habits of mind and learning capabilities.
- Learning at a time to suit their lifestyle needs.
- Opportunities to focus on personal effectiveness and wellbeing; developing a sense of self, building self-esteem and positively managing relationships through reflection and understanding of emotions.
- A central role in shaping the ethos and development of the Academy Trust and develop a sense of belonging and shared responsibility.
- A clear focus on self-discipline, independent learning and personal achievement.
- Ensure the young people have regular reviews, assessment and feedback of their learning and progress.
- Mentoring and self-reflection to help raise standards of achievement and eliminate any barriers that may impede their progress.
- Voluntary and work experience activities so they can learn from the local, national and international communities.

For the community:

- A 'one stop shop' for all their needs.
- Managed access to Academy Trust facilities.
- Will ensure we have open and transparent communication to keep the community informed.
- A role in the development of the Academy Trust through forums and access to the Governing Body.

For staff:

- Clear accountability with robust appraisal having a measureable impact on the young peoples' achievement and other qualitative outcomes.

## **Governors' Report (continued)**

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

- Opportunities to contribute to building the ethos of the Academy Trust.
- Career pathway progression routes, with opportunities for on-going high quality professional development.
- Mentoring and coaching to support self and aspirations.
- Share best practice within the Academy Trust, locally, nationally and internationally to develop the Academy Trust's collective professional expertise, capacity and potential.
- Opportunities and entitlement to take risks and develop dynamic creative and innovative materials for teaching delivery.
- A team approach to planning and reviewing approaches to learning and teaching.
- Structured opportunities for reflection and accurate self-review leading to constructive and professional performance management.
- ICT to support learning, assessment and mentoring.

The challenges facing the Academy Trust:

- Changing a culture of low expectations and disengagement with learning.
- Recruiting and retaining quality teaching and support staff.
- Adapting to new pastoral structures.
- Ensure that all staff and young people are aware of the potential use of ICT technologies.
- Adapting to the new building and open learning spaces.
- Embed new structure and processes at the same time as accelerating the momentum of school improvement.
- On-going negative aura associated with St Aldhelm's Academy Trust.
- Improve attendance, punctuality and reduce exclusions and truancy.
- Widen established networks and build new partnerships.
- Falling numbers on role and resulting financial pressures.

### Disabled Persons

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to some areas of the Academy Trust. The policy of the Academy Trust is to support recruitment and retention of young people and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

### Public Benefit

The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties and have given careful consideration to this in setting the objectives and planning the activities of the Academy Trust.

The Academy Trust has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the Academy trust offers is the provision of an education that maximises young people's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

## **Governors' Report (continued)**

### **Public Benefit (continued)**

The Academy Trust's Ethos:

The Academy Trust is grounded in Christian values of love, respect and celebration and has the learning of all our young people at its heart. This focus will lead to the transformation of learning for all, for staff, for families and for the wider community.

The Academy Trust raises aspiration and achievement and aims to be the school of choice for our local community and beyond.

The Academy Trust's specialisms of sport and mathematics will encourage all to develop the skills and understanding which underpin our culture and, at the same time, respect, value and cultivate health and physical wellbeing, entirely in keeping with the Christian foundation.

The Academy Trust benefits from the partnerships with the Church of England (Diocese of Salisbury) and Bournemouth University (Bournemouth University resigned June 2014). This partnership is committed to innovation and excellence in learning and teaching.

The Academy Trust provides a Christian environment of care, support and learning. It welcomes young people and their families from all faiths and none, reflecting the Church of England's long standing commitment to education for all.

## **STRATEGIC REPORT**

### *Achievements and Performance*

The focus this year was on preparing and putting into place improved structures and systems to ensure the focus is on individual students and their support. Elements include:

- Creation of a dedicated special educational needs (SEND) centre to ensure students with statements (funding to support specific interventions) and requiring additional support have a safe and fit for purpose environment, together with a dedicated team of learning assistants to ensure they progress according to their potential.
- Creation of a house system, House Leaders and mentor groups to form the focus of pastoral care and challenge.
- Development of a clear rewards and sanctions process ensuring inappropriate behaviour is addressed but also achieving is recognised and valued.
- Restructuring of the staff roles to ensure appropriate responsibilities, accountability and support.
- Restructuring of support staff structures and processes to ensure a fit for purpose support and improvements and efficiencies in operations, allowing more focus on teaching and learning.

The introduction of a new timetable has ensured that the Academy Trust is able to achieve higher benchmark results, as the previous one did not allow some combinations to count towards the national benchmark data. A curriculum review has also ensured a more appropriate level of qualification and teaching and learning is achieved, for the needs of individual students.

## Governors' Report (continued)

### Achievements and performance (continued)

The Academy Trust continues to have a culture of celebrating success and a key focus has been awards and presentation events.

Relationships with local companies continue to flourish through sponsorship links, Young Enterprise support or via bursaries and awards for students. A number of local companies have been into the Academy Trust to support themed days or events.

Links with the community have continued to be a key priority with a community fete and fireworks display being facilitated. A number of community focused organisations have used the premises as a non-threatening environment for consultations.

The Academy Trust has successfully taken over the new building and refurbished blocks and settled in to delivering teaching and learning.

### Key Performance Indicators

#### *Aspirational Attainment Targets*

50% A\* - C including English and Maths target  
17% A\* - C including English and Maths achieved

55% 5A\* - C target  
28.4% 5A\* - C achieved

100% A\* - G target  
97.7% A\* - G achieved

#### *Rates of Progress*

85% of young people make national rates of progress target  
30% of Year 11 made national rates of progress  
20% of Year 10 made national rates of progress  
24% of Year 9 made national rates of progress  
37% of Year 8 made national rates of progress  
28% of Year 11 made national rates of progress

#### *Attendance*

95% Attendance Target  
92.5% Attendance Achieved

5% Persistent Absence Target  
12.4% Persistent Absence Achieved

The Academy Trust was subject to an Ofsted inspection in October 2014. The outcome was to place the Academy Trust into special measures with ratings of a 4 in each category. The report did make reference to the recently appointed interim principal and senior leaders knowing what needs to be done to improve the Academy Trust.

## Governors' Report (continued)

### Going Concern

The Education Funding Agency has issued a Financial Notice to Improve ('the Notice') on 24 March 2014 as a consequence of concerns about the financial management, control and governance at the Academy. Specific concerns relate to the internal control environment and its weak financial position which required the financial support of the Education Funding Agency.

The Academy Trust has provided the Education Funding Agency with an Action Plan to address this Notice which has been reviewed monthly with the EFA.

The governors have considered the Notice in relation to the basis of going concern and conclude that there are no implications in relation to the Financial Reporting within the financial statements, Governors' Report, Strategic Report, Governance Statement and Statement of Regularity and Propriety.

Despite challenging financial conditions, primarily due to falling pupil numbers, we believe that the Academy Trust remains a going concern. This view has been formed taking into account budget progress, short and medium term projections and measures currently in place and agreed with the Education Funding Agency.

Future projections show that the Academy Trust will require additional funds in March 2015 to ensure it can fulfil its financial obligations. Funds have been set aside and approved for draw down from the EFA as a repayable grant. Arrangements are in place with the Education Funding Agency.

The Academy Trust is projecting a deficit for the financial year 2015/16 but with the following measures in place to mitigate this concern:

- A written statement of support from the Education Funding Agency confirming: "that the EFA will support the continued provision of education to pupils within the Academy by working with the Trust to ensure that its financial position remains stable and that the Academy is able to meet its financial obligations."
- An agreed amount of funding totalling £325,000 which is pre-agreed and can be called down as required to support the Academy Trust financially.
- Evidence of continued support from the EFA over the financial year in accordance to their approach to supporting Academies with negative cash flows through their document titled "Academies Advances of Funding".
- The EFA have shown their support of the Academy Trust through their investment of £11.1 million for the capital project in the prior year.

Negotiations are currently taking place to allocate a new sponsor for the Academy Trust with a financial package to help the Academy Trust increase pupil numbers in the longer term and it is anticipated that the Academy Trust can begin to build reserves from 2020/21.

## **Governors' Report (continued)**

### **FINANCIAL REVIEW**

The Academy Trust continues to operate with considerable financial pressures as a result of falling numbers on roll, however as mentioned in the section above in reference to a going concern, continues to have the support and backing of the EFA, whom are committed to the continuing provision of Education on the Academy site.

Funding of The Academy Trust for Educational Operations increased to £4.52m (*£14.31m in 2013*) which included a one off capital grant for the building of £10.7m) but includes a one off exceptional grant of £360,000 from the Education Funding Agency.

Operational Costs of providing charitable activities increased to £4.25m (*£4m in 2013*).

Staff costs reduced to £2.98m (*£3.27m in 2013*).

The Academy Trust has implemented considerable reductions in staffing and costs which will be realised in 2015.

#### Reserves Policy

The governors regularly review the reserves levels of the Academy Trust. The operational cashflow does not permit the Academy Trust to generate considerable reserves at this time. A restricted reserve of £24,000 is being held to support the operations of the Academy in 2015 and repayments to the EFA for advance funding, commencing in 2017.

#### Principal Risks and Uncertainties

The Board of Governors regularly review key risks to the Academy Trust, both in terms of finances but also broader concerns such as local pupil numbers, quality of teaching and the learning environment. The governors have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) across a number of areas of the Academy Trust.

The Governors have taken strong measures, following the issue of a Financial Notice to Improve in March 2014 to implement a system wide review of financial processes and systems and to ensure these are fit for purpose and adhered to.

#### Funds in Deficit

Funds in deficit are as a result of low pupil numbers which determine income levels and considerable pension deficits. It is anticipated that through the introduction of a new sponsor together with a funding package, promotional activities and improved results that pupil numbers will increase. Pension liabilities reflect market trading conditions and will be reduced as required by the Local Government and Teachers Pension bodies.

#### Investment Policy

The Academy Trust is committed to meeting the Public Service Values and this policy aims manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the

**Governors' Report (continued)**

**Governors' Report (continued)**

Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Plans for Future Periods

The priority for the Academy Trust going forward is to improve the teaching and learning with a particular focus on ensuring students achieve their potential and are making appropriate levels of progress as required by Ofsted.

Particular areas of focus are:

- Improve the quality of teaching
- Raise the achievement throughout the Academy Trust
- Improve the Quality of Leadership and Management at all levels
- Improve students' behaviour
- Improve 6 Form provision
- Improve attendance
- Review pupil premium expenditure

It is anticipated that during the next financial year (2014/15) a new sponsor will take over the Academy Trust. Governors are seeking that the process is as smooth as possible and ensuring that this will have the greatest possible impact in achieving the areas above.

The Academy Trust will continue to review and improve systems and processes, especially to enable the Financial Notice to Improve to be lifted building on the very positive progress during the current year.

It is anticipated that improvements to teaching and learning and the appointment of a new sponsor will enable a marketing and publicity plan to improve pupil numbers and establish improved links with the community, local businesses and enable added value from these links.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- the governors 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 resolution to reappoint Crowe Clark Whitehill LLP for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

Governors' report incorporating a strategic report, approved by order of the Board of Governors on and signed on its behalf by:

.....  
**Anthony Moore**  
**Chair**

## Governance Statement

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, Cheryl Heron (01.09.13-19.05.14), Interim Principal Monica Cross (20.05.14-16.11.14) and Interim Principal Amanda Bibby (17.11.14 to 23.12.14) 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 the Academy Trust and the Secretary of State for Education. They have also been responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors report and in the Statement of Governors' Responsibilities.

The Governing Body has formally met 6 times during the year. Attendance during the year of meetings of the Governing Body was as follows:-

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Duncan Allard	5	6
Sue Charman	3	3
Susanne Clarke	5	5
Monica Cross	2	2
Ann Fernandez	4	6
Rachel Hemsley	2	2
Cheryl Heron	4	4
Rvd. Peter Homden	6	6
Faysal Mikdadi	3	4
Anthony Moore	6	6
Alison Mountford	4	6
Rvd. David Price	6	6
Andrew Rickett	2	5
Xavier Velay	4	5

### 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 the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the

## **Governance Statement (continued)**

### **The Purpose of the System of Internal Control (continued)**

impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has under gone a complete review and in response to the outcomes of the review strategies have been put in place to rectify any weaknesses. This work will continue, with ongoing monitoring and reviewing in 2014-15.

### **Financial Notice to Improve**

The Education Funding Agency has issued a Financial Notice to Improve ('the Notice') on 24 March 2014 as a consequence of concerns about the financial management, control and governance at the Academy Trust. Specific concerns relate to the internal control environment and its weak financial position which required the financial support of the Education Funding Agency.

The Academy Trust has provided the Education Funding Agency with an Action Plan to address this Notice which has been reviewed monthly with the Education Funding Agency.

### **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is continually being reviewed by the Governing Body.

### **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 Governing Body;
- regular reviews by the Finance, Audit and Resources 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.

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy Trust it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- the type of risks the Academy Trust face;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;

## Governance Statement (continued)

### The Risk and Control Framework (continued)

- the Academy Trust's ability to reduce the incidence and impact on the Academy Trust's operation of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Executive Leadership Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy Trust's operations so that it becomes part of the culture of the Academy Trust;
- developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken.

The Governing Body has considered the need for a specific internal audit function and has used Princecroft Willis, who commenced their internal control functions Audit from February 2014 and produced a report in April 2014. The Academy Trust has commenced addressing any recommendations and following review of the process is actively seeking another accountancy firm to continue this function going forward.

The Internal Auditors role includes giving advice and training on financial matters and performing a range of checks on the Academy Trust's financial systems as required by the financial framework outlined by Department for Education. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material error or irregularities are either prevented or would be detected within a timely period.

### Review of Effectiveness

As Accounting Officer, the Principal has the responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- external review and monitoring by the EFA;
- the work of the Executive Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Governing Body of the implications of the result of the review of the system of internal control and has presented a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on \_\_\_\_\_ and signed on its behalf by:

.....  
**Anthony Moore**  
Chair

.....  
**Amanda Bibby**  
Interim Principal / Accounting Officer

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The St. Aldhelm's Academy Trust I have considered my responsibility to notify the Academy Trust's Governing Body and the Education Funding Agency (EFA) 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's Governing Body 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 no instances of material irregularity, impropriety or funding non-compliance discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and EFA. I have reached this conclusion after consideration of all matters arising in relation to the Financial Notice to Improve issued by the EFA on 24 March 2014.

.....  
**Amanda Bibby**  
**Interim Principal / Accounting Officer**

### Statement of Governors' responsibilities

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors 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. There are also responsible for ensuring grants received from the EFA/DFE have been applied for the purpose intended.

The governors 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 governing body on behalf by: \_\_\_\_\_ and signed on its

.....  
**Anthony Moore**  
**Chair**

## **Independent Auditor's Report to the Members of The St. Aldhelm's Academy Trust**

We have audited the financial statements of The St. Aldhelm's Academy Trust for the year ended 31 August 2014 set out pages 23 to 44.

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 2013 to 2014 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report (incorporating the Strategic Report) and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Governors' Report (incorporating the Strategic 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:

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

.....  
**Guy Biggin**

Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

**Independent Reporting Accountant's Assurance Report on Regularity to The St. Aldhelm's Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 5 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The St. Aldhelm's Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to The St. Aldhelm's Academy 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 the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The St. Aldhelm's Academy Trust accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The St. Aldhelm's Academy Trust's funding agreement with the Secretary of State of Education dated 5 January 2010 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013 to 2014. 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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy Trust's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

**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 year 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them. I have reached this conclusion after consideration of all matters arising in relation to the Financial Notice to Improve issued by the EFA on 24 March 2014.

.....  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

**Statement of Financial Activities for the Year Ended 31 August 2014 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2014 £000</b>	<i>Total 2013 £000</i>
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	5	18	-	<b>23</b>	7
Activities for generating funds	4	102	22	-	<b>124</b>	216
Investment income	5	3	-	-	<b>3</b>	40
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	4,509	11	<b>4,520</b>	14,310
<b>Total incoming resources</b>		<b>110</b>	<b>4,549</b>	<b>11</b>	<b>4,670</b>	<b>14,573</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising	7	112	-	-	<b>112</b>	251
<i>Charitable activities:</i>						
Academy's educational operations	8	-	3,797	450	<b>4,247</b>	3,996
Governance costs	9	-	75	-	<b>75</b>	37
<b>Total resources expended</b>	7	<b>112</b>	<b>3,872</b>	<b>450</b>	<b>4,434</b>	<b>4,284</b>
<b>Net incoming resources before exceptional item</b>		<b>(2)</b>	<b>677</b>	<b>(439)</b>	<b>236</b>	<b>10,289</b>
Exceptional item	10	-	-	-	-	<b>(1,205)</b>
<b>Net (expenditure)/Income for the year</b>		<b>(2)</b>	<b>677</b>	<b>(439)</b>	<b>236</b>	<b>9,084</b>
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension schemes	19, 28	-	(512)	-	<b>(512)</b>	(22)
<b>Net movement in funds</b>		<b>(2)</b>	<b>165</b>	<b>(439)</b>	<b>(276)</b>	<b>9,062</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2013	19	26	(2,257)	11,382	<b>9,151</b>	89
<b>Total funds carried forward at 31 August 2014</b>	19	<b>24</b>	<b>(2,092)</b>	<b>10,943</b>	<b>8,875</b>	<b>9,151</b>

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

The notes on pages 26 to 44 form part of these financial statements.

**Balance Sheet as at 31 August 2014**

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
<b>Fixed assets</b>					
Tangible assets	14		11,228		10,107
<b>Current assets</b>					
Stock	15	9		5	
Debtors	16	220		739	
Cash at bank and in hand		9		960	
		<u>238</u>		<u>1,704</u>	
<b>Liabilities</b>					
Creditors: Amounts falling within one year	17	(395)		(1,997)	
<b>Net current (liabilities)</b>			<u>(157)</u>	<u>(293)</u>	
Total assets less current liabilities			11,071		9,814
<b>Liabilities</b>					
Creditors: Amounts falling due after more than one year	18		(925)		-
<b>Net assets excluding pension liability</b>			10,146		9,814
Pension scheme liability	28		(1,271)		(663)
<b>Net assets including pension liability</b>			<u>8,875</u>		<u>9,151</u>
<b>Funds of the Academy:</b>					
<b>Restricted income funds</b>					
Fixed asset fund	19		10,943		11,382
General fund	19		(821)		(1,594)
Pension reserve	19		(1,271)		(663)
<b>Total restricted funds</b>			8,851		9,125
<b>Unrestricted income funds</b>					
General fund	19		24		26
<b>Total unrestricted funds</b>			<u>24</u>		<u>26</u>
<b>Total funds</b>			<u>8,875</u>		<u>9,151</u>

The financial statements on pages 23 to 44 were approved by the governors, and authorised for issue on \_\_\_\_\_ and are signed on their behalf by:

.....  
**Anthony Moore**  
**Chair**  
 Registration Number 06959707

The notes on pages 26 to 44 form part of these financial statements.

**Cash Flow Statement for the Year Ended 31 August 2014**

	Notes	2014 £000	2013 £000
<b>Net cash inflow/(outflow) from operating activities</b>	23	<b>607</b>	<b>(1,230)</b>
Returns on investments and servicing of finance	24	<b>3</b>	<b>40</b>
Capital expenditure and financial investment	25	<b>(1,561)</b>	<b>1,234</b>
(Decrease)/increase in cash in the year	26	<b>(951)</b>	<b>44</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		<b>960</b>	<b>916</b>
<b>Net funds at 31 August 2014</b>		<b>9</b>	<b>960</b>

The notes on pages 26 to 44 form part of these financial statements.

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

#### Going Concern

The Education Funding Agency has issued a Financial Notice to Improve ('the Notice') on 24 March 2014 as a consequence of concerns about the financial management, control and governance at the Academy Trust. Specific concerns relate to the internal control environment and its weak financial position which required the financial support of the Education Funding Agency.

The Academy Trust has provided the Education Funding Agency with an Action Plan to address this Notice which has been reviewed monthly with the EFA.

The governors have considered the Notice in relation to the basis of going concern and conclude that there are no implications in relation to the Financial Reporting within the financial statements, Governors' Report, Strategic Report, Governance Statement and Statement of Regularity and Propriety.

Despite challenging financial conditions, primarily due to falling pupil numbers, we believe that the Academy Trust remains a going concern. This view has been formed taking into account budget progress, short and medium term projections and measures currently in place and agreed with the Education Funding Agency.

Future projections show that the Academy Trust will require additional funds in March 2015 to ensure it can fulfil its financial obligations. Funds have been set aside and approved for draw down from the EFA as a repayable grant. Arrangements are in place and this support is guaranteed.

The Academy Trust is projecting a deficit for the financial year 2015/16 but with the following measures in place to mitigate this concern:

- A written statement of support from the Education Funding Agency confirming: "that the EFA will support the continued provision of education to pupils within the academy by working with the Trust to ensure that its financial position remains stable and that the academy is able to meet its financial obligations."
- An agreed amount of funding totalling £325,000 which is pre-agreed and can be called down as required to support the Academy Financially.
- Evidence of continued support from the EFA over the financial year in accordance to their approach to supporting Academies with negative cash flows through their document titled "Academies Advances of Funding".
- The EFA have shown their support of the Academy through their investment of £11.1 million for the capital project.

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Statement of Accounting Policies (continued)

Negotiations are currently taking place to install a new sponsor for the Academy Trust with a financial package to help the Academy Trust increase pupil numbers in the longer term and it is anticipated that the Academy Trust can begin to build reserves from 2020/21.

#### 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 a restricted general fund in accordance with the Academy Trust's funding agreement. More information is given in note 2. It is recognised in full in the year which is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants received are recognised as a restricted fixed asset fund in accordance with the Accounts Direction. Capital grants are recognised when receivable and are not deferred over the life of the asset which they are expended. Unspent amount of capital grant are referenced in the balance in the restricted fixed asset fund.

- **Donations**

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

- **Other income**

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

#### 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.

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Accounting Policies (continued)

- **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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on the following basis over their expected useful lives, as follows:

Long leasehold buildings	2% straight line
Furniture and equipment	25% straight line
Computer equipment	20% straight line

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

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

#### **Leased Assets**

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

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Accounting Policies (continued)

#### Stock

Unsold uniforms, catering and stationery stocks are valued at the lower of cost and net realisable value. Items donated for resale or distributions are not included in the financial statements until they are sold or distributed.

#### 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 Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, 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.

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1 Accounting Policies (continued)

#### 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 governors.

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

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

#### Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Academy Trust to the obligation.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

St. Aldhelm's Academy Trust has not exceeded these limits during the year ended 31 August 2014.

Notes to the Financial Statements for the Year Ended 31 August 2014

**3 Voluntary Income**

	Unrestricted Funds £000	Restricted Funds £000	<b>Total 2014 £000</b>	Total 2013 £000
SGO grants	-	18	<b>18</b>	-
Donations - JP Morgan	-	-	-	1
Donations - Talbot Village	-	-	-	3
Donations - ENTHUSE Award	5	-	<b>5</b>	3
	<u>5</u>	<u>18</u>	<u><b>23</b></u>	<u>7</u>

**4 Activities for Generating Funds**

	Unrestricted Funds £000	Restricted Funds £000	<b>Total 2014 £000</b>	Total 2013 £000
Hire of facilities	22	-	<b>22</b>	19
Catering income	36	-	<b>36</b>	153
Sale of uniforms income	13	-	<b>13</b>	20
Other income	31	22	<b>53</b>	24
	<u>102</u>	<u>22</u>	<u><b>124</b></u>	<u>216</u>

**5 Investment Income**

	Unrestricted General Funds £000	Restricted General Funds £000	<b>Total 2014 £000</b>	Total 2013 £000
Short term deposits	3	-	<b>3</b>	40
	<u>3</u>	<u>-</u>	<u><b>3</b></u>	<u>40</u>

Notes to the Financial Statements for the Year Ended 31 August 2014

6 Funding for Academy Trust's Educational Operations

	Unrestricted General Funds £000	Restricted General Funds £000	Total 2014 £000	Total 2013 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	3,759	3,759	2,963
Start Up Grants	-	211	211	437
Other DfE/EFA grants	-	360	360	59
	<u>-</u>	<u>4,330</u>	<u>4,330</u>	<u>3,459</u>
Other Government grants	-	109	109	80
Special educational projects	-	70	70	22
Capital grants	-	11	11	10,749
	<u>-</u>	<u>190</u>	<u>190</u>	<u>10,851</u>
	<u>-</u>	<u>4,520</u>	<u>4,520</u>	<u>14,310</u>

7 Resources Expended

	Staff Costs £000	Non Pay Expenditure		Total 2014 £000	Total 2013 £000
		Premises £000	Other Costs £000		
<b>Costs of generating voluntary income</b>					
Costs of activities for generating funds	64	-	48	112	251
<b>Academy's educational operations</b>					
Direct costs	2,468	453	242	3,163	2,983
Allocated Support Costs	428	21	635	1,084	1,013
	<u>2,960</u>	<u>474</u>	<u>925</u>	<u>4,359</u>	<u>4,247</u>
Governance costs including allocated support costs	15	-	60	75	37
	<u>2,975</u>	<u>474</u>	<u>985</u>	<u>4,434</u>	<u>4,284</u>

2014  
£000

2013  
£000

Incoming/(outgoing) resources for the year include:

**Operating Leases:**

Other leases	31	-
<b>Fees payable to auditor</b>		
Audit	18	17
Other services	2	15
	<u>51</u>	<u>32</u>

Notes to the Financial Statements for the Year Ended 31 August 2014

8 Charitable Activities - Academy Trust's Educational Operations

	Total 2014 £000	Total 2013 £000
Teaching and educational support staff costs	2,468	2,657
Depreciation	450	41
Educational supplies	36	34
Examination fees	33	61
Educational consultancy	52	3
Other direct costs	124	228
	<u>3,163</u>	<u>3,024</u>
<b>Allocation supported costs</b>		
Support staff costs	428	509
Recruitment and support	11	-
Maintenance premises & equipment	18	15
Cleaning	18	23
Rent & rates	78	69
Insurance	38	31
Security and transport	-	6
Other support costs	493	319
	<u>1,084</u>	<u>972</u>
	<u>4,247</u>	<u>3,996</u>

9 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Legal and professional fees	-	10	10	-
Consultancy	-	30	30	6
<i>Auditor's remuneration</i>				
Audit of financial statements	-	18	18	15
Responsible officer audit	-	1	1	1
Accountancy, taxation and other	-	1	1	7
Support staff costs	-	15	15	8
	<u>-</u>	<u>75</u>	<u>75</u>	<u>37</u>

Notes to the Financial Statements for the Year Ended 31 August 2014

10 Exceptional Item

	Total 2014 £000	Total 2013 £000
Financial Loss	-	1,110
Legal and Professional Fees	-	95
	<u>-</u>	<u>1,205</u>

During the year ended 31 August 2013 the Academy incurred an exceptional non-operational loss of funds of £1,205,000. The external loss was incurred as a result of a fundamental breakdown in internal controls and the costs associated with the on-going process of recovery.

11 Staff Costs

	2014 £000	2013 £000
Staff costs during the year were:		
Wages and salaries	2,394	2,628
Social security costs	163	171
Pension costs	323	327
	<u>2,880</u>	<u>3,126</u>
Supply teacher costs	42	36
Compensation payments	53	72
Contracted operational staff	-	40
	<u>2,975</u>	<u>3,274</u>

- Included in compensation payments are non-statutory/non-contractual severance payments totalling £53,000.
- Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £35,000 and £11,664.

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

	2014 No.	2013 No.
<b>Charitable Activities</b>		
Teachers	36	38
Administration and support	48	60
Management	3.5	5
	<u>87.5</u>	<u>103</u>

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

	2014 £000	2013 £000
£60,001 - £70,000	2	4
£100,001 - £110,00	-	1
£140,001 – £150,000	1	-
	<u>3</u>	<u>5</u>

Notes to the Financial Statements for the Year Ended 31 August 2014

11 Staff Costs (continued)

Four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £41,203 (2013: £31,084). The other employee (2013: two employees) participated in the Local Government Pension Scheme. Pension contributions amounted to £12,501 (2013: £16,305).

12 Governors' Remuneration and Expenses

Principal and staff governors only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors. The banding of governors' remuneration was as follows:

C Heron (Principal):	£140,001 - £150,000	(2013: £105,000 - £110,000)
D Allard (Staff Governor):	£35,001 - £40,000	(2013: £35,000 - £40,000)

During the year ended 31 August 2014, travel and subsistence expenses totalling £2,239 were reimbursed to one governor (2013: £nil).

Related party transactions involving the governors are set out in note 28.

13 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2 million on any one claim and the cost for the year ended 31 August 2014 was £889 (2013: £889).

The cost of this insurance is included in the total insurance cost.

14 Tangible Fixed Assets

	Long Leasehold Land £000	Long Leasehold Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Assets Under Construction £000	Total £000
<b>Cost</b>						
At 1 September 2013	-	-	140	17	10,038	10,195
Additions	-	147	24	37	1,363	1,571
Transfer	523	9,732	11	1,135	(11,401)	-
At 31 August 2014	523	9,879	175	1,189	-	11,766
<b>Depreciation</b>						
At 1 September 2013	-	-	72	16	-	88
Charged in year	-	195	39	216	-	450
At 31 August 2014	-	195	111	232	-	538
<b>Net book values</b>						
At 31 August 2014	523	9,684	64	957	-	11,228
At 31 August 2013	-	-	68	1	10,038	10,107

Notes to the Financial Statements for the Year Ended 31 August 2014

**15 Stock**

	2014 £000	2013 £000
Clothing	8	2
Stationery	1	3
	<u>9</u>	<u>5</u>

**16 Debtors**

	2014 £000	2013 £000
Trade debtors	3	14
Recoverable VAT	61	604
Other debtors	79	33
Prepayments	77	88
	<u>220</u>	<u>739</u>

**17 Creditors: amounts falling due within one year**

	2014 £000	2013 £000
Trade creditors	112	486
Other taxation and social security	52	64
Other creditors	43	242
Accruals and deferred income	188	1,205
	<u>395</u>	<u>1,997</u>

**Deferred income**

	2014 £000	2013 £000
Deferred income at 1 September 2013	35	104
Resources deferred in the year	-	35
Amounts released from previous years	(35)	(104)
Deferred income at 31 August 2014	<u>-</u>	<u>35</u>

Deferred income in 2013 represents a capital grant received from the Department for Education which is specifically towards the capital build costs in 2013/14.

Notes to the Financial Statements for the Year Ended 31 August 2014

18 Creditors: amounts falling due after more than one year

	2014 £000	2013 £000
Other creditors	925	-
	<u>925</u>	<u>-</u>

19 Funds

	<i>Balance at 1 September 2013 £000</i>	<i>Incoming Resources £000</i>	<i>Resources Expended £000</i>	<i>Gains, and Transfers £000</i>	<i>Balance at 31 August 2014 £000</i>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(389)	3,978	(3,205)	-	384
Start Up Grant	-	211	(211)	-	-
Other DfE/EFA grants	-	360	(360)	-	-
Pension reserve	(663)	-	(96)	(512)	(1,271)
	<u>(1,052)</u>	<u>4,549</u>	<u>(3,872)</u>	<u>(512)</u>	<u>(887)</u>
<b>Restricted general funds</b>					
Exceptional Item	<u>(1,205)</u>	-	-	-	<u>(1,205)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	10,908	11	(450)	-	10,469
Capital expenditure from GAG	4	-	-	-	4
Private sector capital sponsorship	470	-	-	-	470
	<u>11,382</u>	<u>11</u>	<u>(450)</u>	<u>-</u>	<u>10,943</u>
<b>Total restricted funds</b>	<u>9,125</u>	<u>4,560</u>	<u>(4,322)</u>	<u>(512)</u>	<u>8,851</u>
<b>Unrestricted funds</b>	26	110	(112)	-	24
<b>Total funds</b>	<u>9,151</u>	<u>4,670</u>	<u>(4,434)</u>	<u>(512)</u>	<u>8,875</u>

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

Under the funding agreement with the Secretary of State the Academy Trust was subject to a limit on the amount of GAG that it can carry forward at 31 August 2014. Note 2 discloses whether this limit has been exceeded.

The restricted fixed asset fund represents capital grants received to finance capital expenditure for the Academy Trust. Part of this results from an allocation of GAG income for capital expenditure.

Unrestricted funds have arisen from the Academy Trust's ancillary services such as the provision of catering, hire of facilities, sale of uniforms and donations received.

Notes to the Financial Statements for the Year Ended 31 August 2014

20 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,228	11,228
Current assets	24	214	-	238
Current liabilities	-	(249)	(146)	(395)
Long term liabilities	-	(786)	(139)	(925)
Pension scheme liability	-	(1,271)	-	(1,271)
<b>Total net assets</b>	<b>24</b>	<b>(2,092)</b>	<b>10,943</b>	<b>8,875</b>

21 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	-	228

22 Financial commitments

*Operating leases*

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
<b>Other</b>		
Expiring within one year	31	-
	<b>31</b>	<b>-</b>

Notes to the Financial Statements for the Year Ended 31 August 2014

**23 Reconciliation of net income to net cash inflow from operating activities**

	<b>2014</b>	2013
	<b>£000</b>	£000
Net income	236	9,084
Depreciation (note 14)	450	41
Capital grants from DfE/EFA and other capital income	(11)	(10,749)
Interest receivable (note 5)	(3)	(40)
FRS 17 pension cost less contributions payable (note 28)	68	65
FRS 17 pension finance income (note 28)	28	18
(Increase) / Decrease in stocks	(4)	9
Decrease / (Increase) in debtors	520	(553)
(Decrease) / increase in creditors	(677)	895
<b>Net cash from operating activities</b>	<b>607</b>	<b>(1,230)</b>

**24 Returns on investments and servicing of finance**

	<b>2014</b>	2013
	<b>£000</b>	£000
Interest received	3	40
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>3</b>	<b>40</b>

**25 Capital expenditure and financial investment**

	<b>2014</b>	2013
	<b>£000</b>	£000
Purchase of tangible fixed assets	(1,572)	(9,515)
Capital grants from DfE/EFA	11	10,749
<b>Net cash outflow/(inflow) from capital expenditure &amp; financial investment</b>	<b>(1,561)</b>	<b>1,234</b>

**26 Analysis of changes in net funds**

	At 1 September 2013 £000	Cash flows £000	At 31 Aug 2014 £000
Cash in hand and at bank	960	(951)	9

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 27 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.

### 28 Pension and Similar Obligations

The Academy Trust'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 Dorset County Council. 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 was 31 March 2012 and of the LGPS 31 March 2010.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. 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 lectures 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 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the costs 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.

## Notes to the Financial Statements for the Year Ended 31 August 2014

### Valuation of the Teachers' Pension Scheme

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 new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

### Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and 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 1/57<sup>th</sup>; 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 just outside the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014/15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

**Notes to the Financial Statements for the Year Ended 31 August 2014**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £180,111, of which employer's contributions totalled £132,562 and employees' contributions totalled £47,549. The agreed contribution rate for future years are 18.2% for employers and 6.5% for employees.

**Principal Actuarial Assumptions**

	<b>At 31 August 2014</b>	At 31 August 2013
Rate of increase in salaries	4.2%	4.9%
Rate of increase for pensions in payment / inflation	2.7%	2.9%
Discount rate for scheme liabilities	4.0%	4.7%
Inflation assumption (CPI)	2.7%	2.9%
Commutation of pensions to lump sums	50%	50%

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

	<b>At 31 August 2014</b>	At 31 August 2013
<i>Retiring today</i>		
Males	22.7	20.1
Females	25.1	24.1
<i>Retiring in 20 years</i>		
Males	24.9	22.1
Females	27.4	26.0

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

	<b>Expected return at 31 August 2014</b>	<b>Fair value at 31 August 2014 £000</b>	<b>Expected return at 31 August 2013</b>	<b>Fair value at 31 August 2013 £000</b>
Equities	6.9%	533	6.5%	602
Gilts	3.0%	196	3.5%	194
Property	5.9%	90	4.5%	78
Cash	2.9%	90	0.5%	49
Target Return Portfolio	6.9%	22	2.5%	49
Alternative Assets Portfolio	6.9%	47	-	-
<b>Total market value of assets</b>		<b>978</b>		<b>972</b>
Present value of scheme liabilities				
Funded		<b>(2,249)</b>		<b>(1,635)</b>
<b>Surplus (deficit) in the scheme</b>		<b>(1,271)</b>		<b>(663)</b>

**Notes to the Financial Statements for the Year Ended 31 August 2014**

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period (i.e. as at 1 September 2013 for the year to 31 August 2014). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £129,000 (2013: £108,000).

**Amounts recognised in the statement of financial activities**

	<b>2014</b>	2013
	<b>£000</b>	£000
Current service cost (net of employee contributions)	<u>202</u>	<u>203</u>
Total operating charge	<u>202</u>	<u>203</u>

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

Expected return on pension scheme assets	<b>55</b>	36
Interest on pension liabilities	<b>(83)</b>	(54)
<b>Pension finance income (costs)</b>	<b><u>(28)</u></b>	<u>(18)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £690,000 loss (2013: £178,000 loss).

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

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>At 1 September</b>	<b>1,635</b>	1,278
Current service cost	<b>202</b>	203
Interest cost	<b>83</b>	54
Employee contributions	<b>46</b>	48
Actuarial loss	<b>290</b>	94
Benefits paid	<b>(7)</b>	(42)
<b>At 31 August</b>	<b><u>2,249</u></b>	<u>1,635</u>

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

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>At 1 September</b>	<b>972</b>	720
Expected return on assets	<b>55</b>	36
Actuarial (loss)	<b>(222)</b>	72
Employer contributions	<b>134</b>	138
Employee contributions	<b>46</b>	48
Benefits paid	<b>(7)</b>	(42)
<b>At 31 August</b>	<b><u>978</u></b>	<u>972</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £128,000.

**Notes to the Financial Statements for the Year Ended 31 August 2014**

The history of experience adjustments is as follows:

	<b>2014</b> <b>£000</b>	2013 £000	2012 £000
<b>Present value of defined benefit obligations</b>	<b>(2,249)</b>	(1,635)	(1,278)
<b>Fair value of share of scheme assets</b>	<b>978</b>	972	720
<b>(Deficit) in the scheme</b>	<b>(1,271)</b>	(663)	(558)
<b>Experience adjustments on share of scheme assets</b>	<b>(222)</b>	72	36
<b>Experience adjustments on scheme liabilities:</b>	<b>290</b>	94	241

**29 Related party transactions**

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

The following related party transaction took place in the period of account:

Peter Homden, a governor trading as St John's Church, invoiced the Academy Trust £40,000 (2013: £40,000) during the year for chaplain services provided. There were no amounts outstanding, (2013: £nil).