

The Arthur Terry Learning Partnership

Trustees Report and Financial Statements

For the Year Ended 31 August 2014

**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

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The Arthur Terry Learning Partnership
(A company limited by guarantee)

Reference and Administrative Details of the Multi academy trust, its Trustees and Advisers
For the Year Ended 31 August 2014

Members	Sir Christopher Stone Mr Timothy Sewell Mr Alan Wharton Mr William Davis Mrs Elizabeth Jackson Mr Andrew Wood Mr Paul Wadsworth Mrs Sarah Dawson
Trustees	Mr Alan Wharton ¹ Mr William Davis, Vice Chair of Trustees Mrs Elizabeth Jackson Mr Andrew Wood ¹ Mr Paul Wadsworth ¹ Mrs Sarah Dawson Mr Timothy Sewell, Chair of Trustees Mr Andrew Staples ¹ Mrs Rhona Barnett Mr Junaid Gharda (resigned 6 July 2014) Mr Ashley Innis (appointed 7 July 2014) Mrs Sue Burke Mrs Maxine Rowley Mr Toby Smith (resigned 10 September 2013) Sir Christopher Stone, Chief Executive

¹ member of the Audit Committee

Company registered number	07730920
Principal and registered office	Kittoe Road Sutton Coldfield West Midlands B74 4RZ
Chief Executive and Accounting Officer	Sir Christopher Stone
Finance Director	Teresa Phipps (appointed April 2014)
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 9 Birmingham Road Sutton Coldfield West Midlands B72 1QA
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

**The Arthur Terry Learning Partnership
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**Trustees' Report
For the Year Ended 31 August 2014**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Arthur Terry Learning Partnership (the multi academy trust) for the year ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the multi academy trust comply with the current statutory requirements, the requirements of the multi academy trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The multi academy trust operates four primary academies, and two secondary academies across Birmingham. Its academies have a combined pupil capacity of 3,656 and had a roll of 3,421 in the school census taken January 2014.

Structure, governance and management

a. Constitution

The multi 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 multi academy trust. The trustees of The Arthur Terry Learning Partnership Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Arthur Terry Learning Partnership.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. 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.

c. Method of recruitment and appointment or election of Trustees

The Articles provide that:

- The 7 Members are first directors (Article 50)
- Up to 6 Chairs of local governing bodies are Academy directors (Article 51 or 52)
- The Chief Executive will be a director
- A minimum of 2 parent directors (Articles 53 – 56D)

The ultimate management of the academy is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The approach to appointing new Trustees would depend upon the nature of the vacancy, as outlined in the Articles. To date there has been no requirement to appoint new Trustees. The Trust considers the appropriate skills set of prospective Trustees to enable effective leadership of Trust responsibilities.

d. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. Where necessary an induction will provide training on educational legal and financial matters. All new Trustees are given a tour of the academy and a chance to meet with staff and students. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and directors of the Charitable company. As there is normally expected to be only a small number of new Trustees each year, induction tends to be informal and is tailored specifically to the individual. An annual event is held where all senior staff meet with the Trustees and undertake a joint training event.

The Academy Insurance indemnifies the Governors. This policy is available for inspection on request.

e. Organisational structure

The charitable company has established a structure to enable its efficient running. The structure consists of four levels:

- a) Board of Trustees and Finance & Audit Committee
- b) Local Governing Body for each of the schools
- c) Leadership Group for each of the schools
- d) Chief Executive, who is the Accounting Officer for the Trust.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic directions of the company, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Chief Executive on a regular basis.

The Local Governing Bodies are responsible for implementing the policies laid down by the Trustees and reporting back to them.

The Local Governing Bodies are a mix of parents, staff and co-opted members. At each academy there is a Headteacher and a Leadership Group. Each Local Governing Body appoints a Chair who will become a director of the company; the individuals at the date of this report are Mr. Staples, Mr Innis (from April 2014), Mr Gharda (until March 2014), Mrs Dawson and Mrs Barnett, Mrs Rowley and Mrs Burke.

The Trustees have created an Audit & Finance Committee to be a committee of the Trust Board. The Audit & Finance Committee assists the Trust in fulfilling its oversight responsibilities with particular reference to strategic financial planning, monitoring and reporting, internal control, risk management, internal and external audit, all other matters are dealt with by the Trust Board.

Each Local Governing Body will appoint two committees to be responsible for 'Managing The Organisation' and 'Leading, Learning & Teaching'. Minutes from these committees are part of the regular reporting to the Board of Trustees.

f. Connected organisations, including related party relationships

Teaching Schools Alliance

The Arthur Terry School was designated a cohort 1 Teaching School in July 2011. The Alliance is made up of twenty five schools cross phase and including two Special Schools. Three local HEIs are named strategic partners. The Teaching Schools Alliance (TSA) spreads across five local authorities (Birmingham, Staffordshire, Solihull, Walsall and Warwickshire). At the heart of the alliance is a multi-academy trust (The Arthur Terry Learning Partnership) made up of two secondary schools and four Primary Schools (a third Secondary School is planning to join the Multi Academy Trust in the near future). The over-arching goal of The Arthur Terry National

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**Trustees' Report (continued)
For the Year Ended 31 August 2014**

Teaching School is through innovative and collaborative work to develop outstanding educators that will have impact on student outcomes. The challenges for the TSA during the second cycle of three years are to;

- Engage more with schools in the immediate locality
- To meet the needs of the MAT without excluding and alienating the wider alliance of schools.

Our work is wide ranging and includes:

School-to-School Support

1. Mathematics SLE has supported three schools one day a week since designation in cohort 1 impacting on teaching profiles leading to improved student outcomes.
2. Primary SLEs deployed one day a week for an academic year supporting leadership in mathematics at Mere Green Combined School.
3. SLE support in mathematics, performing arts, history, English and MFL at The Coleshill School during 2013-14. Improved student outcomes to be reflected in the school's GCSE results in August 2014.
4. SLE English and mathematics support at Stockland Green School.
5. SLEs on long-term secondments across the TSA (Deputy Head teacher at the Coleshill School; Assistant Head teacher and Faculty Leader of History at Stockland Green School; Assistant Head teacher responsible for Pupil Premium at Holte School).
6. SLE supporting leadership of SEND, funded through NCTL research and development project.
7. NLE weekly support to each Head teacher through The Arthur Terry Learning Partnership (multi-academy trust).

Initial Teacher Education

1. The Arthur Terry National Teaching School was designated a School Centred Initial Teacher Training centre in July 2012.
2. Cohort 1 (13 trainees) completed the programme in July 2013, all achieving QTS at good or outstanding with 100% of the trainees gaining employment.
3. Cohort 2 due to complete in July 2014 has grown to twenty nine trainees (10 Mathematics, 11 Drama and 8 Science). Forecasts predict that all will gain employment and achieve QTS at good or outstanding.
4. The Arthur Terry SCITT was judged to be good (Ofsted March, 2014; see Ofsted report). Trainee outcomes was judged as good; quality of training good; and leadership and management outstanding.
5. The SCITT partnership comprises twelve schools with the vision of school improvement through developing the next generation of outstanding NQTs.
6. In addition to the SCITT programme, twenty six trainees follow School Direct programmes in collaboration with Birmingham City University and The University of Birmingham (including 8 English SD trainees and 8 Primary trainees).
7. Commissioned to lead on two NCTL funded Research & Development projects which have led to the design of an innovative programme and more effective coaching and feedback to trainees.
8. All SLEs contribute to the delivery of workshops on SCITT and School Direct programmes.

Professional development

1. A strategic move away from NCTL licenced Level 1-3 programmes was decided in 2013-14, for which we were a strategic partner of the HTI West Midlands licence.
2. A suite of leadership programmes was developed. Gateway to Leadership aimed at aspiring Middle Leaders. Leading Change (developed in collaboration with Wilson Stuart Special School and Hamstead Hall Academy) aimed at developing middle leadership. Aspire to Headship (developed in collaboration with Birmingham City University and Fusion Leadership) aimed at Senior Leaders looking to gain a first Headship
3. Twelve OLEVI trained facilitators to deliver the Improving Teacher Programme (ITP) and Outstanding Teacher Programme (OTP). Also two trained facilitators of the OLEVI Power of Coaching programme.
4. Worked with a number of Cohort 2, 3 and 4 Teaching Schools across the West Midlands to support their initial applications and share best practice on designation.
5. Annual Teaching School summer conference.
6. Specialist Leaders of Education deliver twilight workshops within their area of expertise.
7. Outstanding Teaching Assistant programme aimed at improving Teaching Assistants understanding of how children learn effectively.

Research and development

1. Involved with CFBT Language Support programme looking at improving spontaneous spoken language in Secondary Schools and support language teaching in Primary Schools.
2. SEND project looking at classroom pedagogy and up-skilling HLTAs and TAs.
3. Primary Curriculum 2014, developing programmes of study and resources for the implementation of the new Primary National Curriculum in September 2014.
4. Closing the gap projects looking at inference training with Y7 boys and Numicon in Y2 mathematics.
5. Thirty colleagues across the TSA engaged with masters level research through Birmingham City University (MTL and MEL).
6. Leading Change and Aspire to Headship programmes have been aligned to access masters credits through BCU.
7. Three SLEs appointed to lead on a TSA commissioned project looking at 'Life Beyond Levels'.

Talent Management & Succession

1. Leadership suite of professional development to provide future leaders at all levels across the TSA.
2. Three of the ten participants on the Aspire to Headship have gained their first headship.
3. Short-term to long-term secondment opportunities for Senior Leaders across the TSA.

The Coleshill School

The Arthur Terry Learning Partnership works in partnership with The Coleshill School, who have been an academy trust since August 2011. The Coleshill School has applied to the Secretary of State seeking approval to formally join the ATLP; approval has not yet been agreed. Since October 2013 The Coleshill School and ATLP have developed a strong and fruitful relationship by working closely together to improve the achievements of young people. ATLP has provided a range of specialised support and intervention in key areas of the core curriculum and senior and middle leadership. In addition, the Business Director of The Coleshill School undertakes the role of Finance Director for the ATLP.

g. Risk management

The Trustees have assessed the major risks to which the multi academy trust is exposed, in particular those related to the operations and finances of the multi academy trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. Objects and aims

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

- (a) Advancing for the public benefit education in the United Kingdom ('the area of benefit'), in particular but without prejudice to the generality of the foregoing by
 - (i) Establishing, maintaining, carrying on, managing and developing a school offering a broad and a balanced curriculum,
 - (ii) Providing childcare facilities and adult training to develop the capacity and skills of parents to be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children,
- (b) Promoting in the area of benefit the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged,
- (c) Developing the capacity and skills of those inhabitants of the area of benefit who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society,
- (d) Relieving poverty among the inhabitants of the area of benefit,

- (e) Relieving unemployment in the area of benefit for the benefit of the public in such ways as may by thought fit, including assistance to find employment,
- (f) Advancing the health of the inhabitants of the area of benefit
- (g) Providing recreational and leisure time facilities in the interest of social welfare for the inhabitants of the area of benefit especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances,
- (h) To promote for the benefit of the inhabitants of West Midlands and the surrounding area 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.

b. Objectives, strategies and activities

The Academy's Development Plan describes our objectives and aims. Having consistently achieved excellent academic results for a number of years our plans focus upon ensuring The Arthur Terry Learning Partnership remains a centre for academic excellence at all levels. Leaders and managers at all levels are encouraged to innovate in response to a continually changing educational climate and an absolute priority remains to ensure that all children feel safe in an environment where the discipline is firm but fair yet where student voice is heard. Best practice in teaching and learning is widely shared in order to ensure that all children thrive and succeed and make better than expected progress.

In setting the objectives, the Trustees have given careful consideration to the Academy's general guidance on Public benefit and in particular to its supplementary public benefit guidance on advancing education.

c. Public benefit

The main objectives of the Trust are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended to maintain close links with industry and commerce, and
- To conduct the Trusts business in accordance with the highest standards of integrity, probity and openness.

To ensure that standards are continually raised the Trust, The Local Governing Bodies and the Leadership Groups;

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning and includes book trawls
- Is visited and scrutinised and supported by a School Improvement Partner
- Undertake a rigorous review of attainment using RAISEONLINE and FFTD live to measure the progress of students, paying particular regard to their achievement on entry and levels of progress secured.

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

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

Strategic report

Achievements and performance

a. Review of activities

Primary

- All schools above floor standards
- **KS2** Level 4 all schools compared favourably with national averages (2014 prov. data), although Slade was slightly below in Maths and combined RWM
- Level 5 attainment was more variable with Brookvale and Hill West higher than national in several areas.
- **Expected Progress** – all schools compare well with national averages, with progress in writing particularly strong. More than expected progress was variable with each school having at least one area to address.
- **KS1** all schools compared favourably with national, some schools (Hill West , Brookvale) were well above at national averages at Level 2B in all 3 areas
- Year 1 **Phonics** screening and **EYFS** (GLD) are above national averages in 3 out of 4 schools. A priority development area for Slade

Secondary

GCSE

- All schools above floor standards
- **5 A* - C** inc. English & Maths - Arthur Terry (AT) 82% significantly above national average and in line with their expected target. Coleshill (TCS) 56%, 10% improvement from 2013, Stockland Green (STG) 44% although below target, English A* - C was above national average.
- EBACC 37% AT, 23% STG, 8% TCS (national 22% 2013) –numbers will rise year on year as key stage 4 curriculum changes at TCS and STG work through.
- Capped APS : AT 343.9, TCS 312 , STG 293.7, national 338.3
- **Progress:** expected progress in English above national for all three schools and more than expected progress above national for AT and STG. Progress in Maths weaker, AT above national, TCS and STG below. All three schools were below national averages for students making more than expected progress.

A level

- Raw data only available to date, awaiting L3VA although both schools (AT, TCS) have opted into Headstart an early summary reporting of Level 3 results
- A* - B AT: 35%, TCS: 24% (national 52%) nb. both schools have a comprehensive intake at 6th form .
- A* - E AT at 96% and TCS at 95% was generally in line with national 98%
- APS per student: AT 751 pts., TCS 717pts. (nationally 782.4pts). APS per entry AT - 196 pts (C-), TCS -188.1 (D+) nationally 211.1
- Success and achievement rates are in line with national averages, retention rates slightly below.
- 2013 AT PANDA & L3VA , showed both schools progress being higher than national, with Arthur Terry's overall value added at both A and AS level above average .

b. Key financial performance indicators

Priority	KP1	Time Period
P1	Each School to be judged Good or Outstanding by August 2016 1 school Outstanding, 3 schools Good. 1 school judged RI (2012) awaiting re inspection to move to Good. 1 school SM has received two promising HMI monitoring reports. 1 school considered SM in September 2013 recently judged RI and expected to join the Partnership ASAP. Huge investment into this school.	August 2016
P1	Progress of all children results in year on year improved achievement building upon the previous years personal best Refer to summary sheet : ATLP 2014 results	Annual
P1	To exceed national floor targets each year in the key indicators set by the Department for Education (DfE) Ref. ATLP 2014 results - All schools exceeded floor targets	Annual
P1	Maintain overall attendance above national average All schools overall attendance was above national average	On-going – Annual review
P1	Demonstrate an annual reduction in fixed term exclusions Fixed term exclusions have reduced in all the schools.	Annual
P2	The percentage of lessons taught at Good or Outstanding increases annually based on performance management observations	Annual
P2	The percentage of staff sickness absenteeism for all staff has reduced in each school annually	Annual
P2	Support Staff Performance Management review outcomes are all rated at Good or Outstanding. Schools to report number of satisfactory outcomes	Annual review
P3	All schools to achieve governor mark by 2016	September 2016
P3	All schools to achieve an Ofsted Outstanding rating for Leadership	August 2017
P4	All schools to be fully subscribed in nursery, reception, year 7 and Sixth Form as appropriate by 2016 All schools fully subscribed in nursery, reception, and year 7. The Coleshill School is still in the process of expanding the 6 th form.	September 2016
P4	Maintain within academic year total number of students on roll. Schools to report number of within year leavers and joiners	On-going
P4	The ATLP aims to achieve an unqualified audit opinion annually	Annual
P4	All schools to have a minimum 1% budget share as contingency	Annual

The Trust has achieved a balanced budget and we do not project a budget deficit in the near future. All academic targets have been surpassed and the students have exceeded their anticipated examination outcomes. The Arthur Terry School achieved its best ever performances at both GCSE and A level. The Trust has a nationally recognised Newly Qualified Teacher programme and is one of the first 100 Teaching Schools featuring a school centred Initial Teacher Training programme.

Financial Performance Indicators

• **Maintaining a balanced budget at year-end**

The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections. 2013-14 secured a balanced budget with revenue reserve surplus for the year of £1,022,000.

• **Benchmarking expenditure against other similar organisations**

Benchmarking information provided by the Department for Education will be reviewed by Trustees on an annual basis to make comparative judgements on a £ spend per student basis. Trustees have continued to reduce staffing costs as opportunities arise to reduce the percentage of income allocated to staffing resources.

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**Trustees' Report (continued)
For the Year Ended 31 August 2014**

• Maintaining current level of reserves

The Trust has continued to add to the level of reserves during the accounting period.

• Achieving value for money through effective financial management procedures

The Trust complies with the requirements of the Academies Financial Handbook. Visits by an independent external Responsible Officer have verified procedures of financial management and internal control to achieve value for money.

• Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure

Monitoring of cash flow throughout the year has secured sufficient cash balances to ensure cash balances to cover monthly expenditure.

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi 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 Accounting Policies.

Financial review

The majority of the Trust's income is received from the Department for Education via the Education Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Priorities identified in the ATLP Business Plan are as follows:-

- Achievement in our academies will build on the previous personal best with year on year improved progress for students of all abilities across the ATLP.
- Recruitment, training and development of all staff will result in delivery of an outstanding provision to all of our students.
- Leadership & governance across the ATLP will be outstanding and succession planning effective in securing leaders of high calibre across the Learning Partnership
- A sustainable educational and business plan will be in place that supports the academies to meet their core objective of delivering outstanding education for every child.

The Arthur Terry School is a registered Teaching School and has received £61,547 income during 2013-14.

£32,085 was received as a Devolved Formula Capital Grant (DFC); the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

Successful bids to the Academies Capital Maintenance Fund secured £292,200 for three of the primary school projects.

On conversion on 1st April 2012, all of the fixed assets of the former schools were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of £824,000. This operating surplus is the result of budget control procedures, which have been embedded in the Trust's daily financial management in accordance with the Academies Financial Handbook. The Trust has recently appointed a Finance Director; significant

improvements to budget forecasting and monitoring have been implemented for the 2014 financial year.

a. Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. The Trustees will keep the level of reserves under review.

Reserves at the end of the period are £43,638,000 but £41,261,000 are represented by fixed assets and the Local Government Pension Scheme deficit.

The restricted fund reserves will be used to fund current commitments, and future building projects as well as expenditure required to implement the Aims and Objectives of the Academy Trust as outlined in the Development Plan.

b. Material investments policy

The Trust does not hold any investments. Overnight or 7 day deposits would be considered if appropriate and cash flow allows. During the accounting period no overnight or 7 day deposits have been made. Most of the academy's income is obtained from the EFA in the form of recurrent grants. The Trust makes significant investment in providing resources appropriate to the aims and objectives of the Trust.

c. Principal risks and uncertainties

The Trustees charge each Local Governing Body to conduct an annual review of its Risk Register to consider whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the school's objectives.

- 'Requiring Improvement' or 'Special Measures' Ofsted outcome
- Fall in students numbers
- Breach of Data Protection
- Litigation and legislative changes
- Pension deficit
- Fall in levels of academic achievement
- Failure to met academic objectives
- Detrimental media publicity
- Failure of internal financial controls
- Health and safety of students and staff
- Weak governance

The Trust's Business Plan states the strategic short and long term expectation and aims for each of the schools within the Trust.

Plans for future periods

a. Future developments

The Trust has already expanded to incorporate four primary schools. This has enabled all schools to share best practice across the key stages. The Trust is also endeavouring to incorporate The Coleshill School into the ATLP, subject to the Secretary of State's approval.

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving school with regard to employment or continuing in training or formal education.

Funds held as custodian trustee on behalf of others

Funds held as custodian Trustee on behalf of others include, Toy Library and Cluster.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The multi academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The multi academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the multi academy trust's Equal opportunities policy, the multi academy trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the multi academy trust's offices.

Disclosure of information to auditors


Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

During the year Smith Cooper LLP resigned as the Mutli Academy Trusts auditors. Dains LLP were appointed to fill the resulting casual vacancy. Dains LLP have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 1 December 2014 and signed on the board's behalf by:



Mr Timothy Sewell
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Arthur Terry Learning Partnership 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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Alan Wharton	5	6
Mr William Davis, Vice Chair of Trustees	6	6
Mrs Elizabeth Jackson	6	6
Mr Andrew Wood	6	6
Mr Paul Wadsworth	4	6
Mrs Sarah Dawson	5	6
Mr Timothy Sewell, Chair of Trustees	6	6
Mr Andrew Staples	6	6
Mrs Rhona Barnett	5	6
Mr Junaid Gharda (resigned 6 July 2014)	4	4
Mr Ashley Innis (appointed 7 July 2014)	2	2
Mrs Sue Burke	5	6
Mrs Maxine Rowley	6	6
Mr Toby Smith (resigned 10 September 2014)	0	0
Sir Christopher Stone, Chief Executive	6	6

Governance

The major challenge that confronted the board during the accounting period was a Special Measures Ofsted judgement in respect of Stockland Green School, delivered during December 2013. Prior to the inspection the board had been kept informed of actions taken by the Local Governing Body and Executive Headteacher over a period of some months, self-addressing issues in advance of any inspection. Consequently the school had already progressed prior to inspection, progress being further underpinned by the adoption by the board of a Statement of Action and the formation of a Monitoring Improvement Group. The Local Governing Body commissioned an external review of governance, undertaken by the local authority and all follow-up visits undertaken by HMI have confirmed that the school is making effective progress.

Governance reviews:

During the reporting period the board approved the commissioning of external and independent support, helping to review governance throughout the partnership. A former Governor Support officer with Birmingham City Council has been commissioned to work with the board in reviewing governance documents, processes, recruitment and future programmes of self-evaluation. Initial recommendations will be presented to the Board in December 2014. It is intended that this source of external support and advice is retained following implementation of any recommendations that are adopted, providing at least annual light touch reviews.

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Governance Statement (continued)

The Audit Committee is a sub-committee of the main Trust Board. Its purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit; all other matters are dealt with by the Trust Board

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Alan Wharton	3	3
Mr Andrew Wood	3	3
Mr Paul Wadsworth	1	3
Mr Andrew Staples	1	1
Mr Neil Turner (not a Trustee)	3	3

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 multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Arthur Terry Learning Partnership for the year 1 September 2013 to 31 August 2014 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 multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi 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 regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Local Governing Bodies 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.

From September 2013 until May 2014 the Trustees appointed Christopher Musgrave of Working with schools Ltd as independent Internal Auditor. With effect from June 2014 Dains LLP, the external auditors, were appointed to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the multi academy trust's financial systems. On a termly basis, the auditors report to the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Governance Statement (continued)

The auditor has delivered the schedule of work as planned. There have been no material control issues arising as a result of the auditor's additional work.

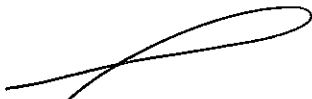
Review of Effectiveness

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

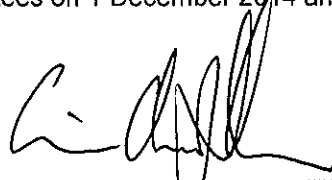
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 1 December 2014 and signed on its behalf, by:



**Mr Timothy Sewell
Chair of Trustees**



**Sir Christopher Stone
Chief Executive and Accounting Officer**

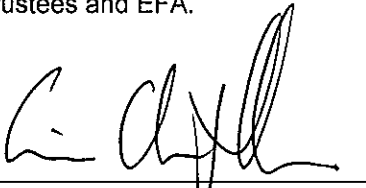
**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Arthur Terry Learning Partnership I have considered my responsibility to notify the multi 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 multi 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 (2013).

I confirm that I and the multi academy trust board of trustees are able to identify any material, irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook (2013).

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.



**Sir Christopher Stone
Chief Executive and
Accounting Officer**

Date: 1 December 2014

**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

**Trustees' Responsibilities Statement
For the Year Ended 31 August 2014**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 1 December 2014 and signed on its behalf by:



Mr Timothy Sewell
Chair of Trustees

**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

Independent Auditors' Report to the Board of Trustees of The Arthur Terry Learning Partnership

We have audited the financial statements of The Arthur Terry Learning Partnership for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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 multi academy trust'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 multi academy trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the multi academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable multi academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 multi academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable multi academy trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Other Matter

The financial statements of The Arthur Terry Learning Partnership for the year ended 31 August 2013 were audited by Smith Cooper LLP who issued an unmodified opinion on those financial statements on 9 December 2013.

Matters on which we are required to report by exception

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

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
8 December 2014

**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to The Arthur Terry Learning Partnership and the Education Funding Agency

In accordance with the terms of our engagement letter dated 22 August 2014 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 Arthur Terry Learning Partnership 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 Arthur Terry Learning Partnership and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Arthur Terry Learning Partnership 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 Arthur Terry Learning Partnership and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Arthur Terry Learning Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Arthur Terry Learning Partnership's funding agreement with the Secretary of State for Education dated 1 May 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 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 2013 to 2014 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.

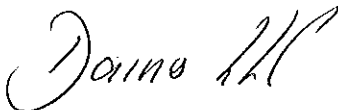
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the multi academy trust's income and expenditure.

**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to The Arthur Terry Learning Partnership and the Education Funding Agency (continued)

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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

8 December 2014

The Arthur Terry Learning Partnership
(A company limited by guarantee)

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

		Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	As restated Total funds 2013 £000
	Note					
Incoming resources						
Incoming resources from generated funds:						
Voluntary income - transfer from local authority on conversion	2	-	-	-	-	11,872
Voluntary income	2	63	38	15	116	-
Activities for generating funds	3	80	55	-	135	4
Investment income	4	5	-	-	5	3
Incoming resources from charitable activities:						
Funding for the multi academy trust's educational operations	5	858	20,969	246	22,073	17,263
Total incoming resources		1,006	21,062	261	22,329	29,142
Resources expended						
Charitable activities:						
Multi academy trust's educational operations	6	508	20,599	863	21,970	17,839
Governance costs	7	-	91	-	91	102
Total resources expended	8	508	20,690	863	22,061	17,941
Net incoming resources before transfers		498	372	(602)	268	11,201
Transfers between funds	21	1,050	(1,096)	46	-	-
Net income for the year		1,548	(724)	(556)	268	11,201
Actuarial gains and (losses) on defined benefit pension schemes		-	(588)	-	(588)	220
Net movement in funds for the year		1,548	(1,312)	(556)	(320)	11,421
Total funds at 1 September 2013		-	(2,910)	42,518	39,608	32,537
Prior year adjustment (Note 20)		-	-	4,350	4,350	-
Total funds at 31 August 2014		1,548	(4,222)	46,312	43,638	43,958

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

The statement of financial activities includes all gains and losses recognised in the year.

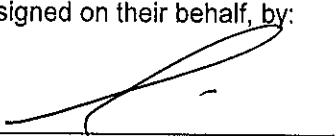
The notes on pages 24 to 45 form part of these financial statements.

The Arthur Terry Learning Partnership
(A company limited by guarantee)
Registered number: 07730920

Balance Sheet
As at 31 August 2014

	Note	£000	2014 £000	As restated 2013 £000
Fixed assets				
Tangible assets	16		46,312	46,868
Current assets				
Debtors	17	478		366
Cash at bank		2,807		2,123
		<u>3,285</u>		<u>2,489</u>
Creditors: amounts falling due within one year	18	(895)		(1,117)
Net current assets			<u>2,390</u>	<u>1,372</u>
Total assets less current liabilities			<u>48,702</u>	<u>48,240</u>
Creditors: amounts falling due after more than one year	19		(13)	-
Net assets excluding pension scheme liability			<u>48,689</u>	<u>48,240</u>
Defined benefit pension scheme liability	27		(5,051)	(4,282)
Net assets including pension scheme liability			<u>43,638</u>	<u>43,958</u>
Funds of the multi academy trust				
Restricted funds:				
Restricted funds	21	829		1,372
Restricted fixed asset funds	21	46,312		46,868
Restricted funds excluding pension liability		<u>47,141</u>		<u>48,240</u>
Pension reserve		(5,051)		(4,282)
Total restricted funds			<u>42,090</u>	<u>43,958</u>
Unrestricted funds	21		1,548	-
Total funds			<u>43,638</u>	<u>43,958</u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2014 and are signed on their behalf, by:


Mr Timothy Sewell
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Cash Flow Statement
For the Year Ended 31 August 2014

	Note	2014 £000	As restated 2013 £000
Net cash flow from operating activities	23	969	684
Returns on investments and servicing of finance	24	5	3
Capital expenditure and financial investment	24	(307)	(84)
Cash transferred on conversion to an academy trust		-	219
Cash inflow before financing		<u>667</u>	<u>822</u>
Financing	24	17	-
Increase in cash in the year		<u><u>684</u></u>	<u><u>822</u></u>

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2014

	2014 £000	As restated 2013 £000
Increase in cash in the year	684	822
Cash outflow from decrease in debt and lease financing	(17)	-
Movement in net funds in the year	<u>667</u>	<u>822</u>
Net funds at 1 September 2013 (as restated)	<u>2,123</u>	<u>1,301</u>
Net funds at 31 August 2014	<u><u>2,790</u></u>	<u><u>2,123</u></u>

The notes on pages 24 to 45 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice (SORP): Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by 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.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the multi academy trust 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.

1.3 Company status

The multi academy trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the multi academy trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the multi academy trust.

1. Accounting Policies (continued)

1.4 Incoming resources

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

Grants Receivable

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

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

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

Sponsorship Income

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

Donated Services and Gifts in Kind

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

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 in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. Accounting Policies (continued)

1.5 Resources expended

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

Charitable Activities

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

Governance Costs

Governance costs include the costs attributable to the multi 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.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and are carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the multi academy trust's depreciation policy.

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

Longterm Leasehold Property	-	2% Straight line
Plant and machinery	-	10% Straight line
Motor vehicles	-	25% Reducing balance
Computer equipment	-	30% Straight line

1.7 Operating leases

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

1.8 Taxation

The multi 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 multi 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.

1. Accounting Policies (continued)

1.9 Pensions

Retirement benefits to employees of the multi 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 multi 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 multi 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 27, the TPS is a multi-employer scheme and the multi 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 multi 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 the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Fund accounting

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

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

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

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

The Arthur Terry Learning Partnership
(A company limited by guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

2. Voluntary income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Transfer from local authority on conversion	-	-	-	11,872
Donations	63	28	91	-
Grants	-	25	25	-
	<u>63</u>	<u>53</u>	<u>116</u>	<u>-</u>
Voluntary income	<u>63</u>	<u>53</u>	<u>116</u>	<u>11,872</u>

3. Activities for generating funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	As restated Total funds 2013 £000
Lettings income	24	-	24	4
Other income and recharges	56	55	111	-
	<u>80</u>	<u>55</u>	<u>135</u>	<u>4</u>

4. Investment income

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Bank interest	5	-	5	3

5. Incoming resources from charitable activities

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	As restated Total funds 2013 £000
Academy's Educational Operations	858	21,059	21,917	17,128
Children's Centre	-	156	156	135
	<u>858</u>	<u>21,215</u>	<u>22,073</u>	<u>17,263</u>

The Arthur Terry Learning Partnership
(A company limited by guarantee)

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

Funding for Academy's educational operations

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	As restated Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	18,383	18,383	15,760
Pupil premium	-	1,045	1,045	501
Capital grants	-	246	246	79
Other EFA Income	-	581	581	121
	<u>-</u>	<u>20,255</u>	<u>20,255</u>	<u>16,461</u>
Other government grants				
Other Government grants	-	266	266	515
	<u>-</u>	<u>266</u>	<u>266</u>	<u>515</u>
Other funding				
School fund and trip income	462	-	462	28
Other income	396	538	934	124
	<u>858</u>	<u>538</u>	<u>1,396</u>	<u>152</u>
	<u>858</u>	<u>21,059</u>	<u>21,917</u>	<u>17,128</u>

The Arthur Terry Learning Partnership
(A company limited by guarantee)

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

6. Charitable activities

	Total funds 2014 £000	As Restated Total funds 2013 £000
Direct costs - educational operations		
Wages and salaries	10,965	8,550
National insurance	949	803
Pension cost	1,636	1,502
FRS 17 pension cost	142	121
Educational expenses	1,255	914
Examination fees	273	280
Staff development and recruitment	219	244
Other costs	38	15
School fund and trips costs	451	40
Insurance	64	40
Agency Staff	487	389
School development	-	116
	<u>16,479</u>	<u>13,014</u>
Support costs - educational operations		
Wages and salaries	1,745	1,740
Depreciation	864	874
Maintenance of premises and equipment	1,282	1,197
Rent and rates	139	115
Heat and light	378	268
Travelling	17	13
Catering	206	171
Technology costs	445	120
Office expenses	263	191
	<u>5,339</u>	<u>4,689</u>
Total Academy's educational operations	<u>21,818</u>	<u>17,703</u>
Other activities		
Childrens centre costs	152	136
Total direct and support costs	<u><u>21,970</u></u>	<u><u>17,839</u></u>

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7. Governance costs

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Internal audit costs	-	9	9	12
Auditors' remuneration	-	21	21	52
Legal fees	-	54	54	36
Clerk to Governing Body fees	-	4	4	2
Governing Body meeting costs	-	3	3	-
	<u>-</u>	<u>91</u>	<u>91</u>	<u>102</u>

8. Resources expended

	Staff costs 2014 £000	Non Pay Premises 2014 £000	Expenditure Other costs 2014 £000	Total 2014 £000	As restated Total 2013 £000
Direct costs - Multi academy's educational operations	14,037	64	2,378	16,479	12,955
Children's Centre	136	-	16	152	195
Support costs - Multi academy's educational operations	1,745	2,624	970	5,339	4,689
Charitable activities	<u>15,918</u>	<u>2,688</u>	<u>3,364</u>	<u>21,970</u>	<u>17,839</u>
Governance	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>	<u>102</u>
	<u>15,918</u>	<u>2,688</u>	<u>3,455</u>	<u>22,061</u>	<u>17,941</u>

9. Analysis of resources expended by activities

	Activities undertaken directly 2014 £000	Support costs 2014 £000	Total 2014 £000	Total 2013 £000
Academy's Educational Operations	16,479	5,339	21,818	17,703
Children's Centre	152	-	152	136
Total	<u>16,631</u>	<u>5,339</u>	<u>21,970</u>	<u>17,839</u>

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10. Net incoming resources

This is stated after charging:

	2014	2013
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	863	874
Internal audit costs	9	12
	<u> </u>	<u> </u>

11. Auditors' remuneration

	2014	2013
	£000	£000
Fees payable to the multi academy trust's auditor for the audit of the multi academy trust's annual accounts	20	22
Fees payable to the multi academy trust's auditor in respect of:		
Taxation compliance services	-	5
Internal audit services	1	-
All assurance services not included above	1	1
All other non-audit services not included above	-	20
	<u> </u>	<u> </u>

12. Staff

a. Staff costs

Staff costs were as follows:

	2014	As restated 2013
	£000	£000
Wages and salaries	12,809	10,357
Social security costs	949	803
Other pension costs (Note 27)	1,636	1,502
	<u> </u>	<u> </u>
	15,394	12,662
Supply teacher costs	487	253
Staff restructuring costs	37	12
	<u> </u>	<u> </u>
	15,918	12,927
	<u> </u>	<u> </u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £37,000 (2013: £12,000). Four of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £11,000, £9,000, 7,000 and £5,636.

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12. Staff (continued)

c. Staff numbers

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

	2014 No.	2013 No.
Teachers	207	200
Non teaching staff	177	152
Management	39	39
	<u>423</u>	<u>391</u>

d. Higher paid staff

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

	2014 No.	As restated 2013 No.
In the band £60,001 - £70,000	11	8
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	-
In the band £140,001 - £150,000	1	1
	<u>14</u>	<u>11</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £141,000 (2013: £103,000).

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13. Central services

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

- Educational services
- Finance
- Operations
- Legal and Governance

The multi academy trust charges for these services on the following basis:

Flat percentage of General Annual Grant.

The actual amounts charged during the year were as follows:

	2014
	£000
Arthur Terry School	282
Stockland Green School	231
Slade Primary School	39
Brookvale Primary School	35
Hill West Primary School	55
Mere Green Primary School	40
	<hr/>
Total	682 <hr/> <hr/>

14. Trustees' remuneration and expenses

The Executive Headteacher and other staff Trustees only receive remuneration (salary and pension) in respect of services they provide undertaking the roles of Executive Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the multi academy trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014	As restated
	£000	2013
		£000
Sir Christopher Stone (Chief Executive, Accounting Officer and Trustee)	165-170	165-170

During the year, no Trustees received any remuneration (2013 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

15. Trustees' and officers' insurance

In accordance with normal commercial practice the multi academy trust 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £407 (2013 - £500). The cost of this insurance is included in the total insurance cost.

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16. Tangible fixed assets

	Long term leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 September 2013 (as previously stated)	50,728	50	26	225	51,029
Prior year adjustment	(3,076)	-	-	-	(3,076)
At 1 September 2013 (as restated)	47,652	50	26	225	47,953
Additions	-	194	-	113	307
At 31 August 2014	47,652	244	26	338	48,260
Depreciation					
At 1 September 2013 (as previously stated)	1,044	6	8	80	1,138
Prior year adjustment	(53)	-	-	-	(53)
At 1 September 2013 (as restated)	991	6	8	80	1,085
Charge for the year	761	17	4	81	863
At 31 August 2014	1,752	23	12	161	1,948
Net book value					
At 31 August 2014	45,900	221	14	177	46,312
At 31 August 2013 (as restated)	46,661	44	18	145	46,868

17. Debtors

	2014 £000	As restated 2013 £000
Trade debtors	32	14
Other debtors	53	187
Prepayments and accrued income	393	165
	478	366

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18. Creditors:
Amounts falling due within one year

	2014 £000	As restated 2013 £000
Other loans	4	-
Trade creditors	-	336
Other taxation and social security	279	-
Other creditors	14	135
Accruals and deferred income	598	646
	<u>895</u>	<u>1,117</u>
		£000
Deferred income		
Resources deferred during the year		<u>117</u>

19. Creditors:
Amounts falling due after more than one year

	2014 £000	As restated 2013 £000
Other loans	<u>13</u>	<u>-</u>
Included within the above are amounts falling due as follows:		
	2014 £000	As restated 2013 £000
Between one and two years		
Other loans	<u>7</u>	<u>-</u>
Between two and five years		
Other loans	<u>6</u>	<u>-</u>

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

20. Prior year adjustment

The following prior year adjustments have been made in the financial statements:

During the year the Trustees have revised the allocation of certain items of income and expenditure to more accurately reflect the nature of the income and expenditure. The prior year figures have been restated accordingly. This adjustment has no effect on the reported surplus for the year.

In previous years The Arthur Terry Learning Partnership recognised as a grant in kind the value of the buildings used by the Arthur Terry School and the Stockland Green School together with a creditor balance for amounts due under Private Finance Initiative (PFI) and Building Schools for the Future (BSF) contracts. Following a detailed review of the contractual obligations relating to these contracts, the Trustees have determined that the most appropriate accounting treatment of the PFI/BSF contracts is to treat them as a financial commitment as noted in note 28. As a result of this the comparative financial statements have been restated to remove the creditor balance totalling £7,374,000. This adjustment has increased the prior year restricted fixed asset reserve by £7,374,000.

In previous years the long term leasehold land and building for each of the six school sites were valued using different methods. Following receipt of consistent appropriate valuations of each for the schools land and buildings, on a depreciated replacement cost basis, a prior year adjustment has been made to reduce the overall cost in the prior year by £3,076,000 and reduce accumulated depreciation by £53,000.

21. Statement of funds

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Designated funds						
Designated funds	-	-	-	1,070	-	1,070
General funds						
Unrestricted funds	-	1,006	(508)	(20)	-	478
Total Unrestricted funds	-	1,006	(508)	1,050	-	1,548
Restricted funds						
General Annual Grant (GAG)	247	18,383	(17,777)	(46)	-	807
Children's Centre	18	156	(152)	-	-	22
Other DFE/EFA grants	-	1,626	(1,626)	-	-	-
Other government grants	57	266	(323)	-	-	-
Other income	-	631	(631)	-	-	-
Predecessor school	1,050	-	-	(1,050)	-	-
Pension reserve	(4,282)	-	(181)	-	(588)	(5,051)
	(2,910)	21,062	(20,690)	(1,096)	(588)	(4,222)

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Notes to the Financial Statements
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21. Statement of funds (continued)

Restricted fixed asset funds

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Fixed assets	46,868	261	(863)	46	-	46,312
Total restricted funds	43,958	21,323	(21,553)	(1,050)	(588)	42,090
Total of funds	43,958	22,329	(22,061)	-	(588)	43,638

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

Restricted general funds

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

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000
Arthur Terry School	587
Stockland Green School	1,031
Slade Primary School	231
Brookvale Primary School	139
Hill West Primary School	46
Mere Green School	343
Total before fixed asset fund and pension reserve	2,377
Restricted fixed asset fund	46,312
Pension reserve	(5,051)
Total	43,638

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21. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total £000
Arthur Terry Learning Partnership	-	-	-	21	21
Arthur Terry School	7,454	517	612	2,142	10,725
Stockland Green School	2,555	675	257	744	4,231
Slade Primary School	861	146	110	243	1,360
Brookvale Primary School	726	91	43	267	1,127
Hill West Primary School	1,126	128	93	376	1,723
Mere Green Primary School	927	186	140	388	1,641
	<u>13,649</u>	<u>1,743</u>	<u>1,255</u>	<u>4,181</u>	<u>20,828</u>

Summary of funds

	Brought Forward As restated £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Designated funds	-	-	-	1,070	-	1,070
General funds	-	1,006	(508)	(20)	-	478
	<u>-</u>	<u>1,006</u>	<u>(508)</u>	<u>1,050</u>	<u>-</u>	<u>1,548</u>
Restricted funds	(2,910)	21,062	(20,690)	(1,096)	(588)	(4,222)
Restricted fixed asset funds	46,868	261	(863)	46	-	46,312
	<u>43,958</u>	<u>22,329</u>	<u>(22,061)</u>	<u>-</u>	<u>(588)</u>	<u>43,638</u>

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22. Analysis of net assets between funds

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	46,310	46,310	46,868
Current assets	1,565	1,676	45	3,286	2,489
Creditors due within one year	(17)	(847)	(30)	(894)	(1,117)
Creditors due in more than one year	-	-	(13)	(13)	-
Provisions for liabilities and charges	-	(5,051)	-	(5,051)	(4,282)
	<u>1,548</u>	<u>(4,222)</u>	<u>46,312</u>	<u>43,638</u>	<u>43,958</u>

23. Net cash flow from operations

	2014 £000	2013 £000
Net incoming resources before revaluations	268	11,201
Returns on investments and servicing of finance	(5)	(3)
Assets transferred from predecessor school	-	(11,873)
Depreciation of tangible fixed assets	863	874
(Increase)/decrease in debtors	(112)	198
(Decrease)/increase in creditors	(226)	78
FRS 17 adjustments	181	209
Net cash inflow from operations	<u>969</u>	<u>684</u>

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

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	<u>5</u>	<u>3</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(307)</u>	<u>(84)</u>
Financing		
Other new loans	<u>17</u>	<u>-</u>

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25. Analysis of changes in net funds

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	2,123	684	-	2,807
Debt:				
Debts due within one year	-	172	(176)	(4)
Debts falling due after more than one year	-	-	(13)	(13)
Net funds	<u>2,123</u>	<u>856</u>	<u>(189)</u>	<u>2,790</u>

26. Capital commitments

At 31 August 2014 the multi academy trust had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u>229</u>	<u>-</u>

27. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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

27. Pension commitments (continued)

investments that produce that real rate of return.

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 made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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.

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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The multi academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the multi academy trust has taken advantage of the

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27. Pension commitments (continued)

exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The multi academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £804,000, of which employer's contributions totalled £600,000 and employees' contributions totalled £204,000. The agreed contribution rates for future years are 18.1% for employers and 5.5% to 12.5% for employees.

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

The amounts recognised in the balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(9,349)	(8,221)
Fair value of scheme assets	4,298	3,939
	<u> </u>	<u> </u>
Net liability	<u>(5,051)</u>	<u>(4,282)</u>

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

	2014 £000	2013 £000
Current service cost	(639)	(505)
Interest on obligation	(396)	(288)
Expected return on scheme assets	254	167
	<u> </u>	<u> </u>
Total	<u>(781)</u>	<u>(626)</u>
	<u> </u>	<u> </u>
Actual return on scheme assets	<u>456</u>	<u>294</u>

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

	2014 £000	2013 £000
Opening defined benefit obligation	8,221	4,587
Current service cost	639	505
Interest cost	396	288
Contributions by scheme participants	204	157
Actuarial Gains	(58)	(93)
Liabilities assumed in a business combination	-	2,860
Benefits paid	(53)	(83)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>9,349</u>	<u>8,221</u>

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27. Pension commitments (continued)

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

	2014	2013
	£000	£000
Opening fair value of scheme assets	3,939	1,994
Expected return on assets	254	167
Actuarial gains and (losses)	(646)	127
Contributions by employer	600	417
Contributions by employees	204	157
Assets acquired in a business combination	-	1,160
Benefits paid	(53)	(83)
	4,298	3,939

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(701,000) (2013 - £(113,000)).

The multi academy trust expects to contribute £651,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	45.00 %	42.40 %
Government bonds	7.90 %	8.40 %
Other bonds	10.30 %	11.20 %
Property	8.70 %	8.70 %
Cash	4.40 %	4.10 %
Other	23.70 %	25.20 %

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Expected return on scheme assets at 31 August	5.88 %	5.89 %
Rate of increase in salaries	3.95 %	4.15 %
Rate of increase for pensions in payment / inflation	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %

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

	2014	2013
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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27. Pension commitments (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014	2013	2012
	£000	£000	£000
Defined benefit obligation	(9,349)	(8,221)	(4,587)
Scheme assets	4,298	3,939	1,994
Deficit	(5,051)	(4,282)	(2,593)
Experience adjustments on scheme liabilities	601	93	(349)
Experience adjustments on scheme assets	(646)	127	16

28. Operating lease commitments

At 31 August 2014 the multi academy trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	38	-
Between 2 and 5 years	-	-	48	-
After more than 5 years	517	509	-	-

29. Related party transactions

Owing to the nature of the multi academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the multi academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

30. Controlling party

The multi academy trust is controlled by the board of members.