

The Dean Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2015

Company Registration Number:
08027943 (England and Wales)

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Reference and Administrative Details

Members

Mr B D Rigby MBE
Mr D J Palmer
Mrs J Mantel – resigned 31st August 2015
Mr T Kapur CBE
Mr J T Shiels
Mr P J Edwards- appointed 11th February 2015

Trustees

B D Rigby MBE (Chairman)
D J Palmer *
J Mantel- resigned 31st August 2015
T Kapur CBE (Chief Executive and Group Academy Principal, Accounting Officer)*
J T Shiels
L McQue
P J Edwards- appointed 11th February 2015
* Members of the audit committee

Executive Management Team:

- | | |
|---|-------------|
| ▪ Chief Executive and Group Academy Principal | T Kapur CBE |
| ▪ Executive Principal | V Beer CBE |
| ▪ Executive Principal | A Griffin |
| ▪ Director of School Improvement | B Bridden |
| ▪ Chief Finance Officer | N David |

Principal and Registered Office

Ashton on Mersey School
Cecil Avenue
Sale
Cheshire
M33 5BP

Company Registration Number

08027943

Independent Auditor

Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Bankers

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Solicitors

Stone King Solicitors
13 Queen Square
Bath
BA1 2HJ

Rowley Dickinson
Cardinal House
20 St Mary's Parsonage
Manchester
M3 2LY

Trustees Report

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

The trust operates 1 primary academy in Trafford, 2 secondary academies in Trafford and 1 secondary academy in Knowsley. Its academies have a combined pupil capacity of 3,859 and had numbers on roll (NOR) of 2,825 as reported in the school census on 15th May 2015.

Area	Trafford	Knowsley
Primary	259	N/A
Secondary 11-16	330	792
Secondary 11-18	1,444	N/A

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Dean Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Dean Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Trustees' Indemnities

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited by invitation, dependent upon their expertise, experience and skills. Trustees may appoint up to 10 trustees as referenced in the articles of association (46a) and are appointed for a term of 4 years.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are interviewed and selected onto the Board to maintain a robust overview and governance throughout the Trust. On all occasions, induction is provided in the workings of the Trust, including policies and procedures, together with appropriate training opportunities based on their existing area of expertise.

Organisational Structure

The Trustees are responsible for setting general policy, the strategic direction and growth of the Trust, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management and other performance information, making appointments to the Executive Management team, and approving the Annual Report and Financial Statements.

The Chief Executive and Group Academy Principal is the accounting officer. The day to day management of the Trust is delegated to the Executive Management Team (EMT). The EMT consists of the Chief Executive and Group Academy Principal, Executive Principals, Director of School Improvement and Chief Finance Officer. The EMT further delegates responsibilities to the Senior Leadership Team (SLT) of each Academy. The SLT, as appropriate to each Academy, consists of the Executive Principals, Principals, Vice Principals and Assistant Principals. These managers control the Trust and Academies at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for posts in the EMT always contain a Trustee. Some spending control is devolved to individual members of the management team within agreed limits in the Scheme of Delegation.

The management teams include the EMT, the SLT at each academy in the Trust, the curriculum area managers and business support managers. These managers are responsible for the day to day operation of the Trust and the Academies, in particular organising the staff (teaching and non-teaching), facilities and students.

The Trustees meet at least each term with the first meeting in each academic year being the Annual General Meeting. Local Governing bodies, governance groups and sub-committees meet on at least a termly basis. Trustees make regular visits to all academies, attending and supporting functions. The Trust's present governance structure also facilitates periodic attendance by Trustees at Local Governing Body Meetings. The new Governing Body at Dean Trust Ardwick is to be chaired initially by a current Trustee to assist with its establishment and integration into the Trust.

Responsibilities of Trustees, Governors, and senior managers are clearly defined in the Trust Scheme of Delegation.

Related Parties and other Connected Charities and Organisations

The Chief Executive and Group Academy Principal, Mr Tarun Kapur C.B.E, acts as an independent Director providing educational advice to the Board of Manchester United Foundation and Trafford Community Leisure Trust. Mr Kapur also acts as Chair of the funding panel for the Football Foundation. The Football Foundation is the UK's largest sports' charity funded by the Premier League, The Football Association and the Government, the Foundation directs £31m every year into grassroots sport. Their mission is to improve facilities, create opportunities and build communities throughout England.

The Chair of Trustees, Councillor Brian Rigby M.B.E. is a Trafford Councillor serving the Ashton upon Mersey ward in the Borough. Councillor Rigby, prior to becoming Chair of the Board, was Chair of Ashton on Mersey School Governing Body for 26 years overseeing the growth and development of the school, leading the Governors through 4 consecutive Outstanding OFSTED inspections and acting as a National Leader of Governance supporting and advising several Governing Bodies.

Mr J T Shiels is Chief Executive of Manchester United Foundation. The goal of the Foundation is to educate, motivate and inspire future generations to build better communities for all. Part of the work involves partnerships with schools to create community hubs and to deliver a range of educational programmes to primary and secondary schools.

Ms L McQue is Chief Executive of North West Employers, a not-for-profit organisation that exists to help organisations deliver better outcomes with and for local people. North West Employers are committed to and have a proud record in working with individuals and organisations to achieve improvement. Ms McQue is well respected for her wealth of experience and as a connector across the public sector not only throughout the region but nationally.

Mr D Palmer is a director of Ashton on Mersey Teaching School Limited, a wholly owned subsidiary of the Dean Trust which operates as a company limited by guarantee and manages the business of the

Teaching School. The relationship with the Trust is two way in that support can be commissioned by it for any one of its own academies and the Teaching School can commission support from any of the Trust's academies to undertake Teaching School contracts. This dynamic relationship ensures that all academies within the Trust can access high quality support whilst also benefiting from a talent pool.

The Teaching School has national Key Performance Indicators which benefit the Trust as there is a clear expectation that all members of a Teaching School alliance improve their outcomes. The onus is on the Teaching School to facilitate this, whether it be providing the necessary support, increasing expectations through sharing outstanding practice or through the development of talent management pathways.

The Trust is part of a wider network (Alliance) which includes a number of other schools and academies. This is mainly in relation to the activities of the Teaching School. This principally involves collaborative working across a range of disciplines, primarily School to School Support, Initial Teacher Training and Professional Learning.

Objectives and Activities

Objects and Aims

The main objectives of the Trust during the year ended 31st August 2015 are summarised below:

- To continue to review strategic growth opportunities that will achieve the Trust's mission and add value to the organisation
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continuous review.
- To carefully monitor the financial position at Broadoak School and consider options to address the demographic challenges in Partington.
- To comply with statutory, curriculum and employment requirements.
- To monitor and support the ongoing building programme at the new Dean Trust Ardwick academy, and maintain excellent working relationships with Manchester City Council to ensure a successful outcome of this new venture.
- To ensure that the interest shown by the Governors of Park View Primary School, Knowsley to become a Dean Trust Academy is thoroughly investigated. Subject to due diligence and approval of the proposal by the Board, to provide a full program of support and transition to integrate the academy into the Trust.
- To facilitate a smooth integration of Dean Trust Ardwick into the Trust group of academies.
- To raise standards of educational achievements for all pupils across the Trust.
- To ensure that every child, irrespective of personal background, enjoys the same high quality of education in terms of resourcing, teaching and learning.
- To review and strengthen the membership of the Trust Board in order to meet increasing demands and responsibilities as the Trust expands.
- To bid for capital funds to improve the Trust estate
- To explore opportunities to attract external funds as well as developing business partnerships to add value to the work of the Trust.
- To maintain close links with industry and commerce as well as Local Authorities and to utilise those links for the benefit of the Trust and pupils.

Objectives, Strategies and Activities

The Trust's main strategy is to develop and maintain a culture of excellence across our organisation that provides fantastic opportunities for the children and students in our primary and secondary schools.

The Dean Trust is an organisation that provides opportunities for staff and students alike. It embraces the local community so as to ensure that each Academy is at the centre. We aim for the communities in which we operate to be proud of their local Dean Trust Academy.

As we continue to grow we are determined to remain an organisation of 'first choice'. We believe that it is important that children are able to attend a 'Good' or 'Outstanding' local school.

The Trust's approach to this strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff including high quality professional learning for all Trust employees.
- A careers advisory service to help students obtain employment or move on to higher education or training.
- A wide range of enrichment opportunities including a programme of pre and after school activities.

Public Benefit

The Trust's purpose is to advance, for public benefit, education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

Strategic Report

Achievements and Performance

The public examination results at GCSE, Advanced Level and in Key Stage 1 and 2 SATs were pleasing overall. There has been significant change in the qualifications and examination framework at both GCSE and post 16. This has resulted in a high degree of turbulence in outcome measures making year on year comparability extremely difficult. Despite the slight dips in performance in some of the Trust's academies, these compare favourably with reduced outcomes nationally. The Trust has undertaken a comprehensive and thorough review of examination performance in all academies and has put steps in place to return to an upward trajectory in the forthcoming year. Headline results are summarised in the table below (figures in brackets relate to the 2014 results).

	Ashton on Mersey School	Broad oak school	Lord Derby Academy	Forest Gate Academy
Percentage of pupils gaining 5+ A*-C GCSE grades including English and Mathematics	61 (62)	33 (38)	42 (44)	N/A
Key stage 1 measure. Percentage of children attaining at least L2 in Reading, Writing and Maths.	N/A	N/A	N/A	Reading 90 (95) Writing 90 (84) Maths 94 (95) Y1 Phonics 94 (93)
Key stage 2 measure. Percentage of children attaining at least L4 in Reading, Writing and Maths.	N/A	N/A	N/A	Reading 92 (94) Writing 96 (72) Maths 92 (89) Combined 88 (72) EGPS 81 (72)
Key Stage 5 A-Level	A*-E 100 (100) A*-C 64 (56)	N/A	N/A	N/A
AS Level	A*-E 100 (91) A*-C 63 (55)			
Vocational (BTEC)	MMM+ 100 (100) DDD+ 91 (94) D*D*D* 45 (43)			

Other notable achievements across the Trust's academies during the period include:

- Grade 2 (Good) OFSTED outcome (Broad oak School)
- Admissions to Lord Derby Academy up by 73% on previous year.
- Improvement in pupil attendance at all academies
- Further growth in pupil numbers at Forest Gate Academy.
- Significant growth and development of the Ashton on Mersey School SCITT in Year 1 of operation with excellent outcomes in terms of Qualified Teacher Status and trainees securing full time employment of which a significant number were within the Trust
- Growth in recruitment of trainees to an expanded range of courses offered for the 2015-16 SCITT Programme
- The first year of the Ashton on Mersey Maths Hub programme was highly successful delivering all KPI's within budget.
- Ashton on Mersey School were successful in bidding for £60,000 to develop and deliver a Teacher Subject Specialism Training programme in Maths to enhance the knowledge of non-specialist maths teachers across the region.

- Continued successful promotion of the Dean Trust brand resulting in successful tender to become the education provider at a new Manchester City Council free school commencing 1st September 2015.
- Further significant investment and refresh of ICT infrastructure and hardware across all Trust academies.
- Continued positive engagement with the Trust's principal sponsors together with expansion of partnerships with major companies and organisations in the North West.

Going Concern

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

Financial Review

Most of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the year ended 31st August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2015, total expenditure of £21.9m was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £22.5m. The excess of income over expenditure for the period was £0.6m. Total funds carried forward amount to £64.0m. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the year ended 31st August 2015 amounted to £1.1m and £0.9m respectively.

At 31st August 2015 the net book value of fixed assets amounted to £64.5m. Movement in fixed assets is shown in note 12 to the financial statements. The cost of fixed asset additions in the year ended 31st August 2015 amounted to £1.4m.

Employees and disabled persons

The Dean Trust is an equal opportunity employer and proudly discloses this throughout its recruitment processes. The Trust welcomes applications for employment from disabled persons.

The Trust is responsive to changes to an employee's individual circumstances through being or becoming disabled which includes making appropriate adjustments to working conditions. As an employee of the Trust a disabled person can expect to be afforded development and career progression that befits their skills and expertise.

The Trust acknowledges the trade unions that represent all of its employees. A Joint Consultative Committee comprising of Trustees, senior leaders and employee union representatives is an established mechanism to consult employees on matters affecting their employment with the Trust.

Reserves Policy

Trustees review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments (including future commitments) and the type of reserves. The Trust's current level of free reserves, represented by total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve, is £3.6m.

The Trustees have decided to adopt a prudent approach and aim to hold group reserves of at least 5% of income. These reserves will help to buffer unforeseen business interruptions, assist budgetary pressures over the medium term, provide funds for capital improvements or developments, assist cash flow where payments of EFA funding are late and support short term emergency requirements. This is sound commercial practice designed to safeguard the Trust's business interests and quality of education at all of its academies.

The net liability of the Trust in the Local Government Pension Scheme (LGPS) amounts to £4.2m. It should however be noted that an immediate liability for this amount is not crystallised at the financial year end. 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. This guarantee provides comfort to the Trustees in the event of an academy closure.

Investment Policy

Cash balances are safeguarded by investing them in interest bearing current accounts with sound commercial banks (currently Lloyds Bank PLC).

Principal Risks and Uncertainties

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The Trust has carried out a careful review of the risks and uncertainties it faces in the forthcoming year. In summary these are viewed as:

- Pressures on growth emanating from Government policy direction for multi academy Trusts to take on additional schools
- Potential loss of reputation and community confidence arising from any drop in standards and academic performance leading to falling rolls
- Budgetary pressures brought about by reduced public sector education spending and funding formula changes
- Impact of changes to school performance measures in terms of curriculum structures
- Failure on high profile school to school support commissions.
- Downgrading of the current OFSTED report for any Dean Trust academy following inspection
- Inability to sufficiently increase pupil numbers at Broadoak School due to local demographic position
- Sufficiency of accommodation to meet major growth in demand for places at Forest Gate Academy
- Erosion of reserves to balance budgets in the short to medium term
- Succession planning within Trust governance and leadership

Key controls in place to mitigate these risks include:

- Forensic data and annual examination performance analysis
- Annual school improvement plans at all academies of the Trust
- Robust self-evaluation procedures and careful monitoring of teaching and learning.
- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference and policies for the governance of the Trust,
- Financial planning, budgeting and regular financial reporting to Governors, Audit Committee and Board highlighting key areas of financial risk
- Robust due diligence procedures in place for growth of the Trust, new contracts and commissions.

Plans for Future Periods

The overall financial and academic performance in this reporting period was good and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's plans for future periods include:

- To revisit the growth strategy in light of the changing education sector landscape
- To continue to review strategic growth opportunities that will achieve the Trust's mission and add value to the organisation
- To review the Executive Management Team structure, following the resignation of Mrs V Beer, and ensure this is entirely robust across the Trust.
- To achieve a good outcome in the forthcoming first OFSTED inspection of the SCITT at Ashton on Mersey School
- To embed the mathematics education strategic hubs initiative for the North West licence accredited to Ashton on Mersey School. To develop "products" from Maths Hub research and innovation that can be successfully marketed by the Trust.
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies
- To seek to address the pressures on admissions at Ashton-on-Mersey School of the continued growth in statutory admission of pupils with statements of special educational need and to lobby the Local Authority for more equitable distribution at other secondary schools in the Borough.
- To provide some alternatives to education provision at Trust academies within Partington to address over subscription at Forest Gate Academy and the ongoing challenge of low numbers on roll at Broadoak School.
- To maintain the trajectory of growth in pupil numbers at Lord Derby Academy
- To extend the scope of the Responsible Officer work to provide a wider internal audit service to the Trust in light of continued growth.
- To continue to develop facilities at all sites
- To maintain adequate financial reserves to fund building and other investment needs
- To monitor, maintain and support high quality governance at all Dean Trust academies.

Excellent standards of behaviour will be maintained to create well-ordered learning environments with support of students at the heart. Pupil numbers in all Dean Trust academies will be sustained or

grown. Transitional arrangements for pupils entering the Trust's secondary academies will be well planned and structured, providing support for pupils at this important stage of their education. The curriculum will be broad, balanced and relevant in all key stages from KS1 to KS5 allowing all students to achieve their full potential.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study supported by a virtual learning environment available online. All students will be competent users of ICT. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know how to improve their attainment and achievement.

Staff will be strong and confident practitioners with appropriate professional development opportunities. Educational outcomes in all key reported performance indicators will be challenged by aspirational and robust target setting underpinned by strong governance and leadership intervention. Teaching will be at least good as evidenced by comprehensive IQTL. The strategic development of all academies in the Trust will be effectively planned, monitored and supported by well-equipped and committed local governing bodies held to account by the Board of Trustees.

Auditor

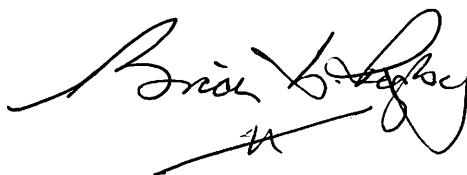
In so far as the Trustees are aware:

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

The audit business Hallidays has been appointed as the company's auditor. The audit report has been issued by Hallidays.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11th December 2015 and signed on its behalf by:

Brian Rigby MBE
Chair of Trustees
11th December 2015



Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Dean Trust has an effective and appropriate system of control, financial and otherwise. 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 day-to-day responsibility to the Chief Executive and Group Academy Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and that these are in accordance with the requirements and responsibilities assigned to it in the funding agreements between The Dean Trust and the Secretary of State for Education. The Chief Executive and Group Academy Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Trustees and Governors are well trained and are committed to attending training that enhances understanding of their responsibilities and legal function. This equips them with the knowledge to provide both challenge and support for the senior leadership teams at all of the academies in the Trust. The Scheme of Delegation balances the need for control with empowering Local Governing Bodies to be accountable for the performance of the academy that they govern.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met 5 times during the year ended 31st August 2015. Attendance during the period at these meetings was as follows (members who joined during the course of the year have their attendance reported on the basis of the maximum number of meetings that they could have attended following their appointment):

Trustee	Meetings attended	Out of a possible
Cllr B Rigby MBE	5	5
Mr T Kapur CBE	5	5
Mrs J Mantel (resigned 31 August 2015)	5	5
Mr J T Shiels	4	5
Mr D Palmer	5	5
Ms L McQue	3	5
Mr P J Edwards (appointed 11 February 2015)	4	4

The Audit Committee is a sub-committee of the Board of Trustees and consists of both Trustees and independent representatives. Its purpose is to support the Board in fulfilling its responsibilities with regard to the financial and business risk management of the Trust. In future financial years, meetings of the Audit Committee will number at least 4 as the work of the Committee continues to develop. The Trust will also be significantly extending the scope of internal audit beyond the Responsible Officer work already undertaken. This is linked to the continued growth of the Trust as noted in the financial statements.

Attendance at meetings during the year ended 31st August 2015 was as follows:

Audit Committee

	Meetings attended	Out of a possible
Mr D Palmer (Trustee)	2	2
Mr G Page (appointed representative- 1 December 2014)	2	2
Mr M Johnson (appointed representative 15 July 2015)	1	1
Mr T Kapur (Trustee and Accounting Officer)	2	2
Mr N David	2	2

Mr N David attended these meetings in the capacity of Chief Finance Officer of the Trust.

The Finance Governance Group or Local Governing Body finance sub-committees have met on a regular basis throughout the year. Attendance at meetings in the year ended 31st August 2015 was as follows:

Finance Governance Group

Governor	Meetings attended	Out of a possible
Mr A McLaren	4	4
Miss S Smith (joined 15 July 2015)	2	2
Mrs J White	2	4
Mrs K Whistance (joined 2 December 2014)	1	2
Mr N David	4	4

Mr N David attended these meetings in the capacity of Chief Finance Officer of the Trust.

Lord Derby Academy Finance Sub Committee

Governor	Meetings attended	Out of a possible
Mrs I Tuzio	3	3
Mrs A Hearn	3	3
Mr G Morgan	2	3
Mr B Bridden	2	3
Miss C Wilmitt (joined 15 December 2014)	2	2
Mr N David	2	3

Mr B Bridden, Mr N David, and Miss C Willmitt attended these meetings in their capacity as lead professional advisers.

In March 2014 a review of the size, structure and composition of the committees of the Board, including the Local Governing Bodies, was undertaken. Following further growth, elements of the review remain ongoing alongside succession planning following some resignations at Local Governing Body level. New and replacement governors have been recruited with appropriate skill sets ensuring continuity and retention of expertise.

The terms of reference of the Audit Committee has been developed during the year and this provides resilience to the Board reporting mechanisms. It contains 2 independent members alongside a Trustee and the Accounting Officer but is seeking to appoint one further independent member with appropriate business skills.

The Board is supported by a Governance Manager who also provides advice and guidance to Local Governing Bodies. Following continued growth of the Trust however this post will require review to ensure that sufficient capacity is available.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Arranging group contracts for supplies of services to the Trust where appropriate resulting in measurable cost savings.
- Re-tendering energy supply contracts for the Trust.
- Maintaining revenue stream in addition to core grant funding.
- Integrating IT systems infrastructure to strengthen resilience and eliminate duplication of maintenance and support arrangements.
- Introducing a minor works team to reduce cost of bought in estates services.
- Obtaining commercial sponsorship for a new Pi-Café at Broadoak School.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Dean Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2015

and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor during the year ended 31st August 2015. However the trustees have appointed Beever and Struthers (chartered accountants and business advisors) as responsible officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems and internal controls. On a quarterly basis the RO performs these checks and reports to the Board of Trustees and the audit committee on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities. The RO has delivered their schedule of work and found minor control issues which are being addressed by strengthening controls accordingly. None of the issues identified present a significant risk to the Trust's operations and financial management processes.

During the course of the year the Audit Committee has, as part of its terms of reference, considered a widening of the scope of the Responsible Officer programme of work to provide a more comprehensive internal audit support function to the Trust in response to future growth and expansion of the Trust's business interests. The Board of Trustees has accepted the recommendations of the Audit Committee and will be implementing a tender process to appoint a suitable organisation to provide internal audit services to the Trust during the 2015-16 financial year.

Review of Effectiveness

As accounting officer the Chief Executive and Group Academy Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

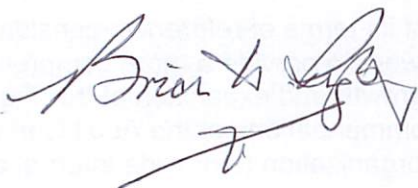
- the work of the responsible officer;
- the work of the external auditor;
- the financial management process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11th December 2015 and signed on its behalf by:

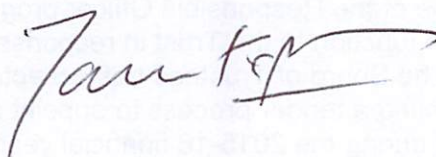
Brian Rigby MBE

Chair of Trustees



Tarun Kapur CBE

Chief Executive and Group Academy Principal
Accounting Officer



Statement on Regularity, Propriety and Compliance

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

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

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

A handwritten signature in black ink, appearing to read 'Tarun Kapur', with a horizontal line underneath the name.

Tarun Kapur CBE
Accounting Officer

11th December 2015

Statement of Trustees' Responsibilities

The trustees, who are responsible for governance of The Dean Trust, are the directors of the charitable company for the purposes of company law and are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

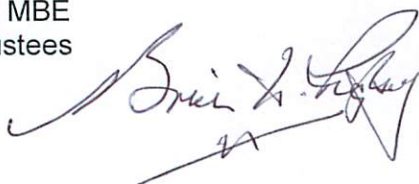
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of trustees on 11th December 2015 and signed on its behalf by:

Brian Rigby MBE
Chair of Trustees



Independent Auditor's Report on the Financial Statements to the Members of The Dean Trust

We have audited the financial statements of The Dean Trust for the year ended 31st August 2015, set out on pages 23 to 48. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the Academy Trust 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 Academy Trust and its members as a body, for our audit work, for this report, or for the opinions 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 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 (APB'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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on financial statements

In our opinion the financial statements:-

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

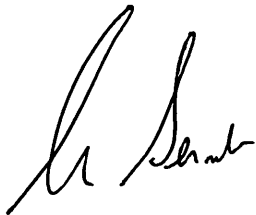
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Anna Bennett
Senior Statutory Auditor

For and on behalf of:
Hallidays, Statutory Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 11/12/15

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

In accordance with the terms of our engagement letter dated 12th February 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Dean Trust during the year ended 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Dean Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Dean Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Dean Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Dean Trust's accounting officer and the reporting accountant

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

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. A summary of the work undertaken is listed below:-

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, property and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 ended 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hallidays, Chartered Accountants
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 11th December 2015

Consolidated Statement of Financial Activities for the year ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	2	28,636	2,270	0	30,906	34,100
- Transfer from LA on conversion		0	0	0	0	22,292,554
- Activities for generating funds	3	683,461	303,364	0	986,825	1,045,805
- Investment Income	4	6,471	0	0	6,471	4,545
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	375,258	20,141,693	963,035	21,479,986	17,916,796
Total incoming resources		1,093,826	20,447,327	963,035	22,504,188	41,293,800
Resources Expended						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income	6	8,558	0	0	8,558	11,419
Fundraising trading	6	813,105	0	0	813,105	1,052,206
<i>Charitable activities:</i>						
Academy trust educational operations	7	95,216	19,447,986	1,421,370	20,964,572	17,613,946
<i>Governance costs</i>	8	2,200	112,157	0	114,357	121,414
Total resources expended		919,079	19,560,143	1,421,370	21,900,592	18,798,985
Net incoming / (outgoing) resources before transfers		174,747	887,184	(458,335)	603,596	22,494,815
Gross transfers between funds	18	(160,457)	(115,958)	276,415	0	0
Net incoming / (expenditure) for the year		14,290	771,226	(181,920)	603,596	22,494,815
Other recognised gains and losses						
Actuarial gains / (losses) on defined benefit pension schemes	18, 28	0	(354,000)	0	(354,000)	(1,309,000)
Net movement in funds		14,290	417,226	(181,920)	249,596	21,185,815
Reconciliation of funds						
Total funds brought forward at 1 September 2014	18	2,414,367	(3,221,886)	64,541,350	63,733,831	42,548,016
Total funds carried forward at 31 August 2015		2,428,657	(2,804,660)	64,359,430	63,983,427	63,733,831

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

Consolidated Balance Sheet as at 31 August 2015

(Company Number 08027943)

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	14		64,504,134		64,541,350
Current assets					
Stock	15	93,636		94,528	
Debtors	16	1,174,351		1,226,176	
Cash at bank and in hand		<u>5,385,002</u>		<u>4,232,922</u>	
		6,652,989		5,553,626	
Liabilities					
Creditors: Amounts falling due within one year	17a	<u>(2,901,124)</u>		<u>(2,525,235)</u>	
Net current assets			<u>3,751,865</u>		<u>3,028,391</u>
Total assets less current liabilities			<u>68,255,999</u>		<u>67,569,741</u>
Creditors: Amounts falling due after more than one year	17b		<u>(117,572)</u>		<u>(34,910)</u>
Net assets (excluding net pension liability)			<u>68,138,427</u>		<u>67,534,831</u>
Pension scheme liability	28		<u>(4,155,000)</u>		<u>(3,801,000)</u>
Net assets including pension liability			<u>63,983,427</u>		<u>63,733,831</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	64,359,430		64,541,350	
General fund	18	1,350,340		579,115	
Pension reserve	18	<u>(4,155,000)</u>		<u>(3,801,000)</u>	
Total restricted funds			<u>61,554,770</u>		<u>61,319,465</u>
Unrestricted income funds					
General fund	18	<u>2,428,657</u>		<u>2,414,366</u>	
Total unrestricted funds			<u>2,428,657</u>		<u>2,414,366</u>
Total funds			<u>63,983,427</u>		<u>63,733,831</u>

The financial statements on pages 23 to 48 were approved by the trustees, and authorised for issue on 1st December 2015 and are signed on its behalf by



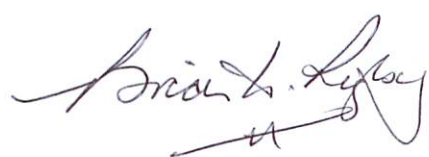
Brian Rigby
Chair of Trustees

Academy Trust Balance Sheet as at 31 August 2015

(Company Number 08027943)

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	14		64,504,134		64,541,350
Current assets					
Stock	15	93,636		94,528	
Debtors	16	1,212,042		1,226,176	
Cash at bank and in hand		<u>5,296,297</u>		<u>4,232,922</u>	
		6,601,975		5,553,626	
Liabilities					
Creditors: Amounts falling due within one year	17a	<u>(2,879,989)</u>		<u>(2,525,235)</u>	
Net current assets			<u>3,721,986</u>		<u>3,028,391</u>
Total assets less current liabilities			<u>68,226,120</u>		<u>67,569,741</u>
Creditors: Amounts falling due after more than one year	17b		<u>(117,572)</u>		<u>(34,910)</u>
Net assets (excluding net pension liability)			<u>68,108,548</u>		<u>67,534,831</u>
Pension scheme liability	28		<u>(4,155,000)</u>		<u>(3,801,000)</u>
Net assets including pension liability			<u>63,953,548</u>		<u>63,733,831</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	64,359,430		64,541,350	
General fund	18	1,350,340		579,115	
Pension reserve	18	<u>(4,155,000)</u>		<u>(3,801,000)</u>	
Total restricted funds			<u>61,554,770</u>		<u>61,319,465</u>
Unrestricted income funds					
General fund	18	<u>2,398,778</u>		<u>2,414,366</u>	
Total unrestricted funds			<u>2,398,778</u>		<u>2,414,366</u>
Total funds			<u>63,953,548</u>		<u>63,733,831</u>

The financial statements on pages 23 to 48 were approved by the trustees, and authorised for issue on 1st December 2015 and are signed on its behalf by



Brian Rigby
Chair of Trustees

Cash Flow Statement for the Year Ended 31 August 2015

	Notes	2015 £	2014 £
Net Cash inflow from operating activities	22	1,547,685	1,965,594
Returns on investments and servicing of finance	23	6,471	4,545
Capital expenditure	24	(402,076)	(284,597)
Net increase in cash in the period	25	<u>1,152,080</u>	<u>1,685,542</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		1,152,080	1,685,542
Net funds at 1 September 2014		4,232,922	2,547,380
Net funds at 31 August 2015		<u>5,385,002</u>	<u>4,232,922</u>

Notes to the Financial Statements for the year ended 31 August 2015

1. Statement of accounting policies

Basis of Preparation

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

The Statement of Financial Activities (SOFA) and Balance sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants Receivable**

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

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 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.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the 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 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 academy trust's accounting policies.

Resources Expended

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

- **Costs of Generating Funds**

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

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Basis of consolidation

The financial statements consolidate the accounts of The Dean Trust and all of its subsidiary undertakings ('subsidiaries') including Ashton on Mersey Teaching School Ltd. The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Buildings	2% p.a. straight-line
Plant & Machinery	20% p.a. reducing balance
Fixtures, fittings and equipment	20% p.a. reducing balance
ICT	3 - 5 years straight-line
Motor Vehicles	25% p.a. straight-line

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

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

Leased Assets

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

Investments

The trust's shareholding in the wholly owned subsidiary, Ashton on Mersey Teaching School Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Uniforms, stationery and vending stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

2. Voluntary Income

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Private sponsorship	0	0	0	0	0
Other donations	28,636	2,270	0	30,906	34,100
	28,636	2,270	0	30,906	34,100

3. Activities for Generating Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Hire of facilities	5,200	0	0	5,200	9,431
Contributions to trips	0	257,080	0	257,080	261,485
Catering income	34,013	0	0	34,013	28,945
Insurance claims income	0	20,742	0	20,742	28,509
Sales income	631,992	19,161	0	651,153	705,440
Other income	12,256	6,381	0	18,637	11,995
	683,461	303,364	0	986,825	1,045,805

4. Investment Income

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Short term deposits	0	0	0	0	0
Bank interest	6,471	0	0	6,471	4,545
	6,471	0	0	6,471	4,545

5. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
DfE / EFA grants					
- General Annual Grant (GAG)	0	16,919,942	0	16,919,942	15,097,764
- Start up Grants	0	78,000	0	78,000	416,698
- Capital Grants	0	0	914,449	914,449	377,812
- Other DfE / EFA Grants	122,500	1,979,380	0	2,101,880	683,561
	122,500	18,977,322	914,449	20,014,271	16,575,835
Other Government grants					
- Local Authority grants	53,419	1,012,147	48,586	1,114,152	954,368
- Other Government grants	0	0	0	0	42,019
	53,419	1,012,147	48,586	1,114,152	996,387
Other Income					
- Government sources (non-grant)	0	2,132	0	2,132	6,870
- Academies	52,048	0	0	52,048	38,174
- Non-Government - Revenue	147,290	150,092	0	297,382	299,530
- Non-Government - Capital	0	0	0	0	0
	199,338	152,224	0	351,562	344,574
	375,257	20,141,693	963,035	21,479,985	17,916,796

6. Resources Expended

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	0	0	8,558	8,558	11,419
Costs of activities for generating funds	541,553	70,841	200,711	813,105	1,052,207
Academy's educational operations:					
- Direct costs	11,612,218	1,301,148	1,960,465	14,873,831	12,404,308
- Allocated support costs	2,350,483	2,476,109	1,264,149	6,090,741	5,209,638
	14,504,254	3,848,098	3,433,883	21,786,235	18,677,572
Governance costs including allocated support costs	54,648	0	59,709	114,357	121,413
	14,558,902	3,848,098	3,493,592	21,900,592	18,798,985

Incoming / outgoing resources for the year include:

	2015 £	2014 £
Operating leases:		
- Plant & Machinery	0	0
- Other Leases	312,677	287,842
	312,677	287,842

Included within resources expended are the following transactions:

	2015	2014
	£	£
Stock losses	0	4269
Unrecoverable debts	0	0

The stock loss in the year ended 31 August 2014 related to the value of pupil uniform items that became obsolete when a decision was taken to change the pupil uniform at Broadoak School to make it consistent with pupil uniforms at other Dean Trust academies.

7. Charitable Activities – Academy’s Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Direct costs - educational operations					
Teaching and educational support staff costs	0	11,612,218	0	11,612,218	9,903,621
Depreciation	0	0	1,301,149	1,301,149	988,918
Technology costs	0	37,446	0	37,446	81,252
Educational supplies	53,258	1,413,427	0	1,466,685	1,060,079
Examination fees	0	235,027	0	235,027	234,755
Staff development	235	76,313	0	76,548	35,665
Educational consultancy	0	92,501	0	92,501	50,358
Other direct costs	646	51,611	0	52,257	49,660
	54,139	13,518,543	1,301,149	14,873,831	12,404,308
Support costs - educational operations					
Support staff costs	0	2,350,483	0	2,350,483	1,861,254
Depreciation	0	0	95,983	95,983	72,950
Loss on disposal of fixed assets	0	0	5,196	5,196	0
Technology costs	525	169,562	0	170,087	235,779
Recruitment and support	0	130,608	0	130,608	11,677
Maintenance of premises and equipment	0	373,649	0	373,649	485,445
Cleaning	0	510,188	0	510,188	430,085
Rent & rates	2,625	173,853	19,043	195,521	133,343
Operating leases	0	312,677	0	312,677	287,842
Water	0	141,612	0	141,612	108,390
Energy costs	0	368,982	0	368,982	295,130
Insurance	0	127,740	0	127,740	102,813
Security	0	50,901	0	50,901	34,602
Transport	1,382	114,496	0	115,878	94,250
Catering	35,205	518,464	0	553,669	429,908
Other occupancy costs	0	16,796	0	16,796	24,207
Bank interest and charges	0	1,617	0	1,617	1,475
Administration furniture & equipment	0	55,971	0	55,971	59,665
Office overheads	1,001	281,059	0	282,060	235,178
Other support costs	339	230,783	0	231,122	305,645
	41,077	5,929,441	120,222	6,090,740	5,209,638
	95,216	19,447,984	1,421,371	20,964,571	17,613,946

8. Governance Costs

	Unrestricted Funds £	Restricted General Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	0	34,229	34,229	62,661
Auditor's remuneration				
- Audit of financial statements	2,200	13,200	15,400	12,100
- Other audit costs	0	3,352	3,352	1,776
Support staff costs	0	54,648	54,648	36,185
Clerking fees	0	4,306	4,306	6,450
Trustees' reimbursed expenses	0	2,422	2,422	2,242
	2,200	112,157	114,357	121,414

9. Staff Costs

	Educational Operations £	Activities for generating funds £	Total 2015 £	Total 2014 £
Staff costs during the year were:				
Wages and salaries	11,179,810	412,665	11,592,475	9,852,200
Social security costs	845,690	39,321	885,011	765,106
Pension costs	1,583,692	56,474	1,640,166	1,379,303
	13,609,192	508,460	14,117,652	11,996,609
Supply teacher costs	231,583	0	231,583	226,968
Supply support staff costs	49,114	33,093	82,207	115,514
Staff restructuring costs	72,811	0	72,811	48,525
	13,962,700	541,553	14,504,253	12,387,616

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £72,811 (2014: £48,525). 6 of the non-statutory/non-contractual payments exceeded £5,000 individually and these were for £7,202, £10,021, £11,540, £11,995, £12,516 and £15,865.

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

	2015	2014
Charitable activities		
Teachers	175	148
Administration and support	182	156
Management	24	21
	381	325

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

	2015	2014
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	1
£100,001 - £110,000	0	0
£110,001 - £120,000	1	1
£120,001 - £130,000	0	0
£130,001 - £140,000	1	0
£140,001 - £150,000	0	1
£150,001 - £160,000	<u>1</u>	<u>0</u>

9 (2014: 8) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2015, employer pension contributions for these staff amounted to £102,099 (2014: £87,346). The other employee participated in the Local Government Pension Scheme for which employer pension contributions amounted to £16,118 (2014: £15,801).

10. Central Services

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

- Governance
- Leadership support
- Financial management
- IT management
- Estates management
- HR/Payroll
- Marketing support
- Procurement management
- Group purchasing services
- Health and safety advisory services
- Training and CPD
- School improvement services

The Trust policy on charging for central services is to employ a flat percentage of 5% of total income excluding pupil premium, high needs funding, and other specific grants or income relating to certain areas of Trust business. The actual amounts charged during the year ended 31 August 2015 were as follows:

	Total	Total
	2015	2014
	£	£
Ashton on Mersey School	461,104	361,564
Broadoak School	132,923	137,742
Forest Gate Academy	50,341	49,611
Lord Derby Academy	158,398	139,665
	<u>802,766</u>	<u>688,582</u>

11. Net income from trading activities of subsidiary company

Ashton on Mersey Teaching School Limited, a company incorporated in England and Wales with an allotted, called up and fully paid Ordinary share capital (£1 shares), is a wholly owned subsidiary of The Dean Trust and has been consolidated into the Trust financial statements. The nature of the business undertaken by Ashton on Mersey Teaching School Limited and its relationship with the Dean Trust is covered on pages 4 and 5 of the Trustees report.

	Ashton on Mersey Teaching School Ltd
	£
Turnover	719,248
Other operating charges	(689,369)
Inter group transactions	<u>0</u>
Net profit	29,879
Tax on profits	<u>0</u>
Transfer to reserves	<u>29,879</u>

12. Related Party Transactions – Trustees’ remuneration & expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive and Group Academy Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and Group Academy Principal and staff under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees’ remuneration and other benefits was as follows:

T Kapur (Chief Executive and Group Academy Principal and Trustee):	
Remuneration	£150,001 - £160,000 (2014: £140,001 - £150,000)
Employer pension contributions	£20,337 (2014: £20,152)

During the period ended 31 August 2015, travel and subsistence expenses totalling £2,422 (£1,421) were reimbursed to 2 trustees (2014: 2 trustees), in accordance with the Trust’s policy.

Other related party transactions involving the trustees are set out in note 29.

13. Trustees’ and Officers’ Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £4,000,000 on any one claim and the cost for the year ended 31 August 2015 amounted to £4,241 (2014: £2,590). The cost of this insurance is included in the total insurance cost.

14. Tangible Fixed Assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant, furniture and equipment £	Computer equipment £	Motor vehicles £	Total 2015 £
Cost						
At 1 September 2014	40,302,771	25,083,452	999,648	197,756	7,000	66,590,627
Asset reclassification	0	0	0	0	0	0
Transferred on conversion	0	0	0	0	0	0
Additions	21,577	82,349	1,076,361	184,824	0	1,365,111
Disposals	0	0	(4,397)	(9,134)	0	(13,531)
As at 31 August 2015	40,324,348	25,165,801	2,071,612	373,446	7,000	67,942,207
Depreciation						
At 1 September 2014	1,475,847	334,357	172,471	63,202	3,400	2,049,277
Charged in year	646,913	494,615	190,130	64,073	1,400	1,397,131
Disposals	0	0	(1,231)	(7,104)	0	(8,335)
As at 31 August 2015	2,122,760	828,972	361,370	120,171	4,800	3,438,073
Net book values						
As at 31 August 2015	38,201,588	24,336,829	1,710,242	253,275	2,200	64,504,134
At 31 August 2014	38,826,924	24,749,095	827,177	134,554	3,600	64,541,350

15. Stock

	Group		Academy Trust	
	2015 £	2014 £	2015 £	2014 £
Uniform	15,498	19,489	15,498	19,489
Stationery	78,055	74,868	78,055	74,868
Catering	83	171	83	171
	93,636	94,528	93,636	94,528

16. Debtors

	Group		Academy Trust	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	146,035	160,413	23,405	160,413
Amounts owed by group undertakings	0	0	181,820	0
Accrued income	495,983	607,211	477,091	607,211
VAT recoverable	186,063	72,009	186,829	72,009
Other debtors	6,359	51,242	6,359	51,242
Prepayments	339,911	335,300	336,538	335,300
	<u>1,174,351</u>	<u>1,226,175</u>	<u>1,212,042</u>	<u>1,226,175</u>

17. Creditors

a) Amounts falling due within one year

	Group		Academy Trust	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	687,299	613,546	682,434	613,546
Taxation and social security	544,008	308,555	544,008	308,555
Other creditors	382,188	219,319	382,188	219,319
Accruals and deferred income	1,287,630	1,383,815	1,271,359	1,383,815
	<u>2,901,125</u>	<u>2,525,235</u>	<u>2,879,989</u>	<u>2,525,235</u>

	Group	Academy Trust
	2015	2015
	£	£
Deferred income		
Deferred income at 1 September 2014	740,308	740,308
Resources deferred in the year	894,868	894,868
Amounts released from previous years	<u>(740,308)</u>	<u>(740,308)</u>
Deferred income at 31 August 2015	<u>894,868</u>	<u>894,868</u>

At the balance sheet date the Trust was holding funds received in advance for NCSL collaborative funding, capital funding for projects to be completed in 2015/2016, EFA funding, LA funding, and advance receipts for school trips.

b) Amounts falling due after more than one year

	Group		Academy Trust	
	2015	2014	2015	2014
	£	£	£	£
SALIX funding	<u>117,572</u>	<u>34,910</u>	<u>117,572</u>	<u>34,910</u>
	<u>117,572</u>	<u>34,910</u>	<u>117,572</u>	<u>34,910</u>

At the balance sheet date the Trust had received £144,704 of SALIX funding relating to capital projects. SALIX funding is an interest free loan approved by the Education Funding Agency (EFA) and is

repayable in equal instalments over 8 years. The repayments due on 1st March 2015 were not recouped by the EFA and along with the instalments due on the 1st September 2015 and 1st March 2016 are included in other creditors in note 17a.

18. Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General annual grant (GAG)	579,114	16,919,942	(16,032,758)	(115,958)	1,350,340
Start up grant	0	78,000	(78,000)	0	0
Other DfE/EFA grants	0	3,143,751	(3,143,751)	0	0
Other restricted funds	0	305,634	(305,634)	0	0
Pension reserve	(3,801,000)	0	0	(354,000)	(4,155,000)
	(3,221,886)	20,447,327	(19,560,143)	(469,958)	(2,804,660)
Restricted fixed asset funds					
DfE/EFA capital grants	64,414,702	914,449	(914,449)	0	64,414,702
Assets transferred on conversion	0	0	0	0	0
Local Authority capital funds	0	48,586	(48,586)	0	0
Capital expenditure from GAG / Restricted Funds	126,648	0	(270,746)	115,958	(28,140)
Capital expenditure from Unrestricted Funds	0	0	(187,589)	160,457	(27,132)
Private sector capital sponsorship	0	0	0	0	0
	64,541,350	963,035	(1,421,370)	276,415	64,359,430
Total restricted funds	61,319,464	21,410,362	(20,981,513)	(193,543)	61,554,770
Unrestricted funds					
Unrestricted funds	2,414,367	1,093,826	(919,079)	(160,457)	2,428,657
Total unrestricted funds	2,414,367	1,093,826	(919,079)	(160,457)	2,428,657
Total funds	63,733,831	22,504,188	(21,900,592)	(354,000)	63,983,427

The figures above refer to the consolidated balance sheet including the reserves of Ashton on Mersey Teaching School Limited, which amount to £29,879.

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Trust.

Restricted fixed asset funds are those funds relating to the long term assets of the Trust used in delivering the objectives of the Trust.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Trust's objectives and are expendable at the discretion of the Trustees.

Under the funding agreement with the Secretary of State, the Trust is not subject to a limit on the amount of General Annual Grant (GAG) carry forward at 31 August 2015.

19. Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£	£	£	£
Tangible fixed assets	0	0	64,504,134	64,504,134
Current assets	2,589,114	4,063,875	0	6,652,989
Current liabilities	(305,161)	(2,595,963)	0	(2,901,124)
Liabilities due after more than one year	0	(117,572)	0	(117,572)
Pension scheme liability	0	(4,155,000)	0	(4,155,000)
	2,283,953	(2,804,660)	64,504,134	63,983,427

20. Capital Commitments

Capital commitments contracted for but not provided for in the financial statements are as follows:

	2015	2014
	£	£
Contracted sum for heating plant and boilers	0	99,297
Contracted sum for curtain walling	0	0
Contracted sum for entrance and parking works	0	81,725
Contracted sum for building alterations	0	44,157
Contracted sum for telephony replacements	0	29,183
Sums accounted for as assets in the course of construction	0	(125,448)
	0	128,914

21. Financial Commitments

Operating Leases

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

	2015	2014
	£	£
Other (operating leases)		
Expiring within one year	90,910	59,600
Expiring within two and five years inclusive	225,679	138,916
Expiring in over five years	0	0
	316,589	198,516

PFI Commitments

Lord Derby Academy is a PFI school which operates from a site which opened in September 2009 under a 25 year contract. Upon the conversion of Lord Derby Academy the Trust contracted with Knowsley MBC to discharge the financial obligations of unitary charges for the remainder of the contract. The unitary charges amount to £1,003,499 subject to annual indexation using RPI. Based on current values, at 31 August 2015 the Trust had unitary charge commitments as follows:

	2015	2014
	£	£
PFI Commitments		
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	19,066,481	18,628,520
	<u>19,066,481</u>	<u>18,628,520</u>

22. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015	2014
	£	£
Net income	603,596	21,185,815
Depreciation (note 13)	1,397,131	1,061,868
Loss on disposal of fixed assets	5,196	0
Donations - inherited assets less pension liability	0	(21,617,900)
Capital grants from DfE/EFA and other capital income	(963,035)	(377,812)
Interest receivable (note 4)	(6,471)	(4,545)
FRS 17 pension adjustment		1,309,000
(Increase) / decrease in stocks	892	(79,384)
(Increase) / decrease in debtors	51,824	(379,902)
Increase / (decrease) in creditors	458,551	868,454
Net cash inflow from operating activities	<u>1,547,684</u>	<u>1,965,594</u>

23. Returns on Investments and Servicing of Finance

	2015	2014
	£	£
Interest received	6,471	4,545
Net cash inflow from returns on investment and servicing of finance	<u>6,471</u>	<u>4,545</u>

24. Capital Expenditure and Financial Investment

	2015 £	2014 £
Purchase of tangible fixed assets	(1,365,111)	(662,409)
Capital grants from DfE/EFA	963,035	377,812
Capital grants from sponsors and others	0	0
Receipts from sale of tangible fixed assets	0	0
Net cash inflow from returns on investment and servicing of finance	(402,076)	(284,597)

25. Analysis of Changes in Net Funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	4,232,922	1,152,080	5,385,002
	4,232,922	1,152,080	5,385,002

26. Contingent Liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27. Members' Liability

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

28. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is administered by Tameside Metropolitan Borough Council (TMBC) for Ashton on Mersey School, Broadoak School, and Forest Gate Academy, and by Merseyside Pension Fund (MPF) for Lord Derby Academy. Both pension schemes are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the TMBC LGPS 31 March 2014 and of the MPF LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension cost paid to TPS in the year ended 31st August 2015 amounted to £1,714,967 (2014: £1,445,368). These amounts include employer and employee contributions for the year ended 31st August 2015 of £1,013,863 and £701,103 respectively (2014: £868,388 and £576,980)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2015 was £735,000, of which employer's contributions totalled £523,000 and employees' contributions totalled £212,000. The agreed contribution rates for future years within the current actuarial valuation period are 17.9% (TMBC) and 13.9% (MPF) for employers. An additional lump sum of £65,100 is payable by the employer to MPF in respect of those employees that are members of the scheme administered by MPF. The agreed employee contribution rates are banded from 5.5% to 12.5%.

Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.9%	3.8%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption (CPI)	2.2%	2.2%
Commutation of pensions to lump sums (pre-April 2008 service)	55.0%	55.0%
Commutation of pensions to lump sums (post-April 2008 service)	80.0%	80.0%

The scheme liabilities are sensitive to changes in the principal actuarial assumptions. The table below shows the increase in scheme liabilities that would be experienced.

	At 31 August 2015		At 31 August 2014	
	Approximate increase in employer liability	Approximate monetary amount	Approximate increase in employer liability	Approximate monetary amount
	%	£000	%	£000
0.5% decrease in real discount rate	13	1,507	15	1,537
1 year increase in member life expectancy	3	321	3	287
0.5% increase in the salary increase rate	7	846	12	740
0.5% increase in the pension increase rate	6	631	6	574

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

	At 31 August 2015	At 31 August 2014
<i>Current pensioners:</i>		
Males	21.4 years	21.4 years
Females	24.0 years	24.0 years
<i>Future pensioners:</i>		
Males	24.0 years	24.0 years
Females	26.6 years	26.6 years

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

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
	%	£000	%	£000
Equities	3.8	5,330	6.3	4,616
Bonds	3.8	1,340	3.2	1,171
Property	3.8	450	4.5	391
Cash	3.8	315	3.3	330
Present value of scheme liabilities		7,435		6,508
– Funded		(11,590)		(10,309)
Total net assets		(4,155)		(3,801)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return assumptions are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP. The expected returns shown in this report have been calculated using 5,000 simulations of the HRAM, calibrated using market data. The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM the yield rates applicable at the accounting date on suitable bond indices has been used.

The actual return on scheme assets was £155,000 (2014: £536,000).

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.

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	(851)	(602)
Past service cost	0	0
Total operating charge	(851)	(602)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	377	316
Interest on pension liabilities	(405)	(339)
Pension finance income/(costs)	(28)	(23)

The actuarial gains and losses for the period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £807,000 loss (2014: £803,000 loss).

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

	2015 £000	2014 £000
At 1 September	10,309	6,149
Current service cost	851	602
Interest cost	405	339
Employee contributions	212	175
Actuarial loss	(115)	1,571
Benefits paid	(72)	(101)
Liabilities assumed in a business combination	0	1,574
Past service cost	0	0
Curtailments and settlements	0	0
At 31 August	11,590	10,309

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

	2015 £000	2014 £000
At 1 September	6,508	5,094
Expected return on assets	377	316
Actuarial gain	(223)	518
Employee contributions	212	175
Employer contributions	633	506
Benefits paid	(72)	(101)
At 31 August	7,435	6,508

The estimated value of employer contributions for the year ending 31 August 2016 is £663,000.

The history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000
Fair value of scheme assets	7,435	6,471	5,094
Present value of defined benefit obligations	(11,590)	(8,509)	(6,149)
Deficit in the scheme	(4,155)	(2,038)	(1,055)
Experience gains on scheme assets	(223)	518	457
Experience gains on scheme liabilities	22	0	0

29. Related Party Transactions

The charity is controlled by the Trustees who are all directors of the company with the exception of L McQue who is a Trustee only.

Owing to the nature of the 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 academy trust's financial regulations and normal procurement procedures.

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

- Kreativ Ltd – a company in which J Mantel, a trustee, is a director and has an interest. Transactions totalling £45,789 (2014: £57,453) relating to the procurement of design and printing services took place in the year ended 31 August 2015. There was £8,030 (2014: £19,386) outstanding at 31 August 2015.
- Manchester United Foundation – a charity in which T Kapur (trustee and Chief Executive and Academy Principal) is a board member, and J Shiels (a trustee) is the Chief Executive. The Manchester United Foundation operates a football hub from the Broadoak School site. This links with the football development plan for Partington and the neighbouring communities run by Broadoak School. The cost of the football hub amounted to £16,451 (2014: £33,000) and predominantly related to the employment of a football development officer by the Manchester United Foundation. There were no outstanding amounts at 31 August 2015 (2014: £nil).
- Trafford Community Leisure Trust (TCLT) – a charity in which T Kapur, a trustee and chief executive, is a board member. Expenditure totalling £62,067 (2014: £73,118) relating to charges for the hire and use of the Partington Leisure Centre and coaching services to Forest Gate staff and pupils. There were no outstanding amounts at 31 August 2015 (2014: £450). Partington Leisure Centre is based on the Broadoak School site. It is however not part of the Trust's estate. The building receives supplies of certain utilities via the same mains connection as Broadoak School. The relevant proportion of the consumption of these services by Partington Leisure Centre is charged to TCLT based upon meter readings or an agreed percentage of cost. A total of £23,681 (2014: £44,113) was charged by Broadoak School to TCLT in the year ended 31 August 2015. The Trust has also entered an agreement with TCLT in respect of community use of sports facilities owned by the Trust. The Trust accrues income under this agreement. A total of £15,023 (2014: £10,828) was received in the year ended 31 August 2015. There were no outstanding amounts at 31 August 2015 (2014: £nil).

30. Fund balances

The closing fund balances attributable to each Academy/Business unit within the multi-Academy trust are as follows:

	Central Costs	Ashton on Mersey School £	Ashton on Mersey Teaching School Ltd	Broadoak School £	Forest Gate Academy £	Lord Derby Academy £	Total 2015 £
Restricted Funds							
Fixed asset fund	37,795	23,022,445	0	16,655,127	2,201,081	22,442,982	64,359,430
General fund	(805)	577,934	0	0	0	773,211	1,350,340
Pension reserve		(1,706,000)	0	(416,000)	(146,000)	(1,887,000)	(4,155,000)
Total restricted funds	36,990	21,894,379	0	16,239,127	2,055,081	21,329,193	61,554,770
Unrestricted funds							
General fund	256	977,360	29,879	375,566	163,835	824,842	2,371,738
School fund	0	56,919	0	0	0	0	56,919
Total unrestricted funds	256	1,034,279	29,879	375,566	163,835	824,842	2,428,657
Total funds	37,246	22,928,658	29,879	16,614,693	2,218,916	22,154,035	63,983,427

Analysis of academies by cost

Expenditure incurred by each academy on its educational operations during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Depreciation	Total 2015 £
Central Costs	255,882	546,884	0	779	0	803,545
Ashton on Mersey School	5,226,128	913,288	880,391	1,568,312	554,405	9,142,524
Ashton on Mersey Teaching School Ltd	0		0	0	0	0
Broadoak School	1,784,534	251,999	219,803	815,767	288,685	3,360,788
Forest Gate Academy	819,758	58,968	98,520	281,580	74,963	1,333,789
Lord Derby Academy	3,525,916	530,229	267,974	1,352,952	479,078	6,156,149
Total funds	11,612,218	2,301,368	1,466,688	4,019,390	1,397,131	20,796,795

31. Events after the balance sheet date

A non-adjusting event in accordance with FRS 21 (Events after the balance sheet date) occurred when the Dean Trust board opened a new secondary academy (Dean Trust Ardwick) in Manchester on 1st September 2015.

A further non-adjusting event occurred when on 10th November 2015 the Dean Trust board agreed to support the academy conversion of Park View Primary School (Huyton, Knowsley) with effect from 1st January 2016. Senior managers from the Dean Trust are working with the Governors and staff at the school along with the DfE and various professional advisors to convert the school to an Academy on the 1st January 2016.