



**Tollbar Multi Academy Trust
(A Company Limited by Guarantee)**

**Trustees' Report and
Financial Statements**

31st August 2015

Tollbar Multi Academy Trust

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for the year ended 31st August 2015**

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**Acronyms used in the Financial Statements
for the year ended 31st August 2015**

BA	Business Arrangements
BP	Business Plan
CA	Cleethorpes Academy
CEO	Chief Executive Officer
CFO	Chief Finance Officer
DCEO	Deputy CEO
DfE	Department for Education
EFA	Education Funding Agency
EH	Executive Headteacher
HRO	Human Resources Officer
ICO	Information and communications officer
KD	Key Deliverable
LGB	Local Governing Body
MAT	Multi Academy Trust
OfSTED	Office for Standards in Education
MO	MAT Officer
RA	Reynolds Academy
RMP	Risk Management Plan
RO	Resources Officer
SA	Somercotes Academy
SAA	Senior Academy Administrator
SDO	Staff Development Officer
SEF	Self-Evaluation Form
SLT	Senior Leadership Team
TA	Tollbar Academy
TMAT	Tollbar Multi Academy Trust

Tollbar Multi Academy Trust

**Reference and Administrative Details
for the year ended 31st August 2015**

MEMBERS

Mrs J Aukett
Mr P Bond
Mr A Else

TRUSTEES

Mr P Bond (Chair)
Mrs J Aukett (Vice Chair)
Mr C Browne
Mr P Cornford
Mr A Else
Mr D J Hampson OBE (Chief Executive and Accounting Officer)
Mrs J C Hornby (Staff Trustee)
Mrs E Jefferson (resigned 29.10.2014)
Mr S Woolsey (appointed 1.9.2014)
Ms A Manders (appointed 23.6.2015)
Ms E Conolly

COMPANY SECRETARY

Mr G Taylor

REGISTERED OFFICE

Station Road
New Waltham
Grimsby
Lincolnshire
DN36 4RZ

REGISTERED COMPANY NUMBER

08085503 (England and Wales)

INDEPENDENT AUDITORS

Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

SOLICITORS

Wilkin Chapman Grange
PO Box 16
Town Hall Square
Grimsby
North East Lincolnshire
DN31 1HE

INTERNAL AUDITORS

Forrester Boyd
26 South Saint Mary's Gate
Grimsby
DN31 1LW

BANKERS

HSBC Bank Plc
53 Victoria Street
Grimsby
DN31 1UX

Tollbar Multi Academy Trust

Report of the Trustees for the year ended 31st August 2015

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The multi academy trust operates one primary and two secondary academies (one of which includes a sixth form) in North East Lincolnshire. Its academies have a combined pupil capacity of 3754 and had a roll of 3372 in the school census of January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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.

Method of Recruitment and Appointment or Election of Trustees

Members of the company, trustees and governors of the constituent academies are appointed as set out in the articles of association.

Policies and Procedures Adopted for the Induction and Training of Trustees

The vice-chair has responsibility for trustee induction and training.

Responsibilities of directors

These are set out in the articles of association. The scheme of delegation, agreed annually by directors and set out in the document "Business Arrangements", makes explicit the decision-making parameters. In accordance with the EFA Financial handbook, directors appoint an internal auditor and an external auditor

Organisational Structure

The constitution of the Board of directors, and of constituent academies, is set out in the articles of association and in the Business Arrangements, a document that sets out in clear terms the schemes of delegation and how decisions are made. Trustees appoint a Chief Executive to assure the strategic intentions of the Multi Academy Trust. The Chief Executive is a director of the academy trust. Trustees appoint Principals to take responsibility for the day-to-day management of constituent academies. Trustees appoint a secretary to the Board and a clerk to each of the governing bodies of constituent academies.

Employees and disabled persons

The MAT is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age and we strive vigorously to remove conditions that place people at a disadvantage.

The MAT considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the MAT continues. The MAT's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

We recognise the benefits of collaborative working between employers and employees and we promote employee engagement and good working relations within our family of academies.

Tollbar Multi Academy Trust

**Report of the Trustees- continued
for the year ended 31st August 2015**

The multi academy trust has the following committees and governing bodies in place:

<p>FINANCE COMMITTEE</p>	<p>Mrs J Aukett Mr C Browne Mr A Else Mr D J Hampson, OBE Mrs J C Hornby Mr S Woolsey</p> <p>Chair Vice Chair</p>	<p>QUORUM: 3</p> <p>DELEGATED POWERS: Yes</p>
<p>AUDIT COMMITTEE</p>	<p>Mr P Bond Mr C Browne Mr P Cornford Mr A Else Mrs J Hornby</p> <p>Chair</p>	<p>QUORUM: 3</p> <p>DELEGATED POWERS: Yes</p>
<p>PERSONNEL COMMITTEE</p>	<p>Mrs J Aukett Mr P Bond Mr C Browne Ms E Conolly Mr P Cornford Mr A Else Mr D J Hampson, OBE Mrs J C Hornby Mrs A Manders Mr S Woolsey</p>	<p>QUORUM:3</p> <p>DELEGATED POWERS: Yes</p>
<p>ADMISSIONS COMMITTEE</p>	<p>Mrs J Aukett Mr P Bond Mr C Browne Ms E Conolly Mr P Cornford Mr A Else Mr D J Hampson, OBE Mrs J C Hornby Mrs A Manders Mr S Woolsey</p>	<p>QUORUM: 3</p> <p>DELEGATED POWERS: Yes</p>
<p>COMPLAINTS COMMITTEE</p>	<p>Mrs J Aukett Mr P Bond Mr C Browne Ms E Conolly Mr P Cornford Mr A Else Mr D J Hampson, OBE Mrs J C Hornby Mrs A Manders Mr S Woolsey</p>	<p>QUORUM: 3</p> <p>DELEGATED POWERS: Yes</p>
<p>PAY AND PERFORMANCE COMMITTEE</p>	<p>Mrs J Aukett Mr P Cornford Mr A Else</p> <p>Chair Vice Chair</p>	<p>QUORUM: 3</p> <p>DELEGATED POWERS: Yes</p>

STRATEGIC REPORT

To fulfil its objectives, the Trust formulates an annual business plan for the Trust informed by self-evaluation and approved by directors which specifies priorities for attention and associated areas for action. The 2015-16 plans are set out below:

MAT 1 DEVELOP AN EFFECTIVE SCHOOL IMPROVEMENT FUNCTION	
RATIONALE	
<p>The core purpose of Tollbar Multi Academy Trust is to improve the educational outcomes and life chances of young people. Executive Headteachers (as school improvers) on the MAT Executive Team have been deployed to very good effect to 'academies in need'. That said, the role of school improvers on the Executive Team has been diminished bringing risks to the impact of decisions on school improvement. Constituent academies need to develop autonomous improvement strategies and collaborate to share successful practices.</p>	
ACTIONS	RISKS
<ul style="list-style-type: none"> a. Develop the function of the EH at constituent academies and on the Executive Team [CEO] b. Establish a schedule of 'challenge' meetings for the CEO & DCEO to meet EHs to review progress towards academy Key Deliverables [CEO] c. Establish a forum under the leadership of the DCEO for Principals to share and replicate successful practices [DCEO] d. Monitor and develop the new assessment arrangements [DCEO] 	<ul style="list-style-type: none"> I. Staff changes at academy level inhibit EH and SDO improvement strategies II. EH or SDO leaves or is absent III. EH academy improvement strategies stall IV. Changes in ways attainment and progress are measured and reported V. Further changes to the way Ofsted judges schools VI. Changes to student entry profiles VII. Change in the political landscape VIII. Business interruption at the centre or constituent academies
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2015	WHERE WE WILL BE BY AUGUST 2016
<ul style="list-style-type: none"> a) Ofsted judge CA good, TA outstanding, RA good & SA requiring special measures b) Overall progress rates at CA & TA are above national, at RA in line and at SA below c) Executive Headteacher role is effecting measurable improvements at CA & RA d) SA is totally dependent on TMAT for leadership and academic support; CA, RA and TA have a collaborative relationship 	<ul style="list-style-type: none"> a) All established academies are judged by Ofsted as at least good b) Overall progress rates at all academies have improved and are close to or above national c) EH role is embedded and all performance objectives met d) All academies have a collaborative relationship within the family

MAT 2 DELIVER EXCELLENT SUPPORT SERVICES TO THE ACADEMIES

RATIONALE

A strength of Tollbar Multi Academy Trust is the strategic and responsive provision of excellent support services from the centre to its constituent academies. From the academy side, this frees up Principals with their senior leadership teams to focus on the core business of raising standards. From the MAT side, this facilitates a detailed steer on the work of the constituent academies. Evaluation of the last two years' plans shows this work to be highly effective.

ACTIONS

- a. Develop the quality assurance role of DCEO across all support services **[CEO]**
- b. Provide top quality staff development services to academies **[SDO]**
- c. Provide top quality HR and recruitment services to academies **[HRO]**
- d. Provide top quality finance services to academies **[CFO]**
- e. Provide top quality administrative services to academies through the development of the SAA role **[CFO]**
- f. Provide top-quality IT services to academies **[ICO]**
- g. Provide top quality resource management services to academies **[RO]**
- h. Provide top quality estates management services to academies **[RO]**
- i. Provide top quality curriculum, timetabling and data services to academies **[MO]**
- j. Provide top quality marketing and PR services to academies **[MO]**
- k. Provide top quality admissions service **[MO/CFO]**

RISKS

- I. Service area leaders leave
- II. Errors or delays in service provision affect the smooth running of academies
- III. Inability to recruit or retain staff with expertise in service areas
- IV. Service provision found wanting in an external inspection or review of an academy
- V. HR litigation
- VI. Inadequate legal advice
- VII. Business Interruption at the centre
- VIII. Insufficient capacity at the centre to respond quickly to academy needs
- IX. Poor value for money

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2015

- a) Support services to academies have delivered outstanding outcomes
- b) No adverse comment made on service provision in any external academy report
- c) All academy and MAT accounts are in credit
- d) Working and learning environments have improved significantly over the year

WHERE WE WILL BE BY AUGUST 2016

- a) All services to academies have delivered outstanding outcomes
- b) There is evidence to show how service provision has a direct impact on improved rates of learner progress
- c) All established academies and MAT accounts are in credit
- d) Working and learning environments have improved significantly over the year

MAT 3 MAINTAIN THE HIGHEST QUALITY OF INTERNAL CONTROLS

RATIONALE

Audits of controls and risk management have consistently been unqualified. Changes to reporting and governance required by the Education Funding Agency have been accommodated without interruption to academy service provision. Whilst the purpose of the MAT is to raise standards in academies, the proper custodianship and effective use of public funds must always be at the forefront of a good MAT's business plan.

Thus, maintaining the highest quality of internal control remains a priority.

ACTIONS TO ACHIEVE KEY DELIVERABLES

- a. Construct a new risk management plan which relates to this business plan **[CE/O/CFO]**
- b. Design the 2015-16 programme for internal audit, taking into account advice from external auditors and critical issues identified in last years' EFA reports of other academies and MATs **[CEO/CFO]**
- c. Benchmark key financial indicators and key educational measures to ascertain the MAT's position nationally & VfM and report to the Board **[CEO/DCEO]**
- d. Keep the MAT's financial procedures under review to reflect changes to conduct and reporting requirements**[CFO]**
- e. Keep the principal risks, particularly student numbers and consequent income, under review **[CEO/DCEO]**
- f. Develop and maintain a MAT secure centralised IT system **[ICO]**
- g. Maintain and develop the assets and resources of the MAT **[CEO]**

RISKS TO ACHIEVING KEY DELIVERABLES

- I. Leaders of Service areas leave
- II. Inability to recruit or retain staff with expertise in service areas
- III. Changes to EFA requirements
- IV. Business interruption especially IT breakdown
- V. Breaches of security and confidentiality
- VI. Insufficient financial expertise at director level
- VII. Undetected accounting errors
- VIII. Theft or fraud
- IX. Conflicts of interest not declared
- X. Audit sampling misses errors
- XI. Undetected misinterpretation of financial regulations
- XII. Student numbers (and income) fall

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2015

- a) All internal and external audit reports are unqualified
- b) Any EFA investigations and reviews or Border Agency inspections find no causes for concern
- c) All reports for EFA, Charity Commission, Companies House and DfE are accurate, approved by the Board, and filed on time

WHERE WE WILL BE BY AUGUST 2016

- a) All internal and external audit reports are unqualified
- b) Any EFA investigations and reviews or Border Agency inspections find no causes for concern
- c) All reports for EFA, Charity Commission, Companies House and DfE are accurate, approved by the Board, and filed on time

MAT 4 ENSURE STABLE AND HIGH QUALITY STAFF TEAMS

RATIONALE

Principals report that frequent teaching and support staff changes risk planned improvements. Demand to increase staff at the MAT centre has necessarily reduced management experience and expertise in some constituent academies. The last parent survey indicates some concerns on perceived frequent staff changes. The transitory nature of the Canadians' terms of employment builds in a degree of staff turnover. A high proportion of trainees brings new thinking to practice but puts high demand on training to bring up to the required standard of delivery. As a consequence, the 'quality of teaching' data shows each year starting lower and finishing higher. High staff turnover risks frustrating the performance management of staff and managers whose roles and /or locations may change mid-year.

ACTIONS

- a. Keep staff retention and recruitment under review **[HRO]**
- b. Explore options for incentivising and/or remunerating effective and long service **[DCEO]**
- c. Train senior and middle leaders in academies in implementing strategies coming from the reviewed retention policy **[HRO]**
- d. Develop staff and leadership at all levels across all establishments in the MAT **[HRO]**
- e. Maintain the capacity and expertise of senior leadership teams of the MAT and the academies **[CEO]**

RISKS

- I. Staff instability and absence inhibits improvement in the academies
- II. Key leaders in administration, support and teaching leave
- III. Inability to recruit suitably experienced personnel in teaching, administration and support
- IV. Competitor MATs develop more effective retention and recruitment measures
- V. Failure to develop sufficient high quality middle and senior leaders in both teaching and support
- VI. A reduction of entrants into teaching
- VII. Serious incident affects the reputation of the MAT

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2015

- a) 84% of observed lessons are at least good
- b) 16% of teaching staff and 0.4% of support staff were new at the academic 2015-16 year start
- c) Wide variations in the progress made by different groups in different subjects

WHERE WE WILL BE BY AUGUST 2016

- a) Over 80% of observed lessons are at least good
- b) 90% of staff have a successful outcome from their performance management
- c) Reduced variations in the progress made by different groups in different subjects

MAT 5 DEVELOP BUSINESS SUSTAINABILITY AND GOOD GOVERNANCE

RATIONALE

An ambition of the Trust is to share its proven successes in raising achievement to benefit learners across the region. Expansion in itself brings risks to existing methods of achieving these successes. Mitigating these risks includes formalising the accountability of local governing bodies to the Board so that emerging concerns are noticed and addressed. In addition, there is a risk that new or struggling academies in the Tollbar Family make demands on resources that adversely affect other family members.

ACTIONS

RISKS

- | | |
|--|---|
| <ul style="list-style-type: none"> a. Establish a schedule of ‘challenge’ meetings for Directors to meet LGBs to review progress towards academy KDs and report back to CEO
[CEO] b. Provide training to ensure governors are able to interpret statistics, understand current inspection requirements and up to date with any new issues
[DCEO] c. Undertake due diligence and establish the business case before adopting any new academies into the Trust [CEO] d. Undertake impact assessments before deploying staff and resources from one academy to another
[CEO/DCEO] | <ul style="list-style-type: none"> I. LGB unable to respond to challenges from the Board II. Local issues not adequately presented to the Board III. Inability to recruit high quality governors IV. Newly adopted academies prove not to deliver VfM across the MAT V. Overall disbenefits outweigh benefits when staff and/or resources are redeployed |
|--|---|

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2015

WHERE WE WILL BE BY AUGUST 2016

- | | |
|---|--|
| <ul style="list-style-type: none"> a) Some evidence of Board holding LGBs to account for academy performance b) The Trust balances the educational case against the business case c) Overall progress rates at CA & TA are above national, at RA in line and at SA below | <ul style="list-style-type: none"> a) Agenda and minutes of the Board prove challenge to LGBs b) A robust procedure for presenting business cases is in place alongside educational benefits for students c) Overall progress rates at all academies have improved on the previous year |
|---|--|

Tollbar Multi Academy Trust

**Report of the Trustees- continued
for the year ended 31st August 2015**

Achievement and performance and key performance indicators

The tables below summarise the performance of the multi academy trust at the end of the 2014-2015 academic year.

For each of the 2014-15 priority areas a small number of key deliverables were set. In the light of performance these are now colour-coded to show the extent each key deliverable was achieved.

Key to interpretation:

FULLY ACHIEVED
PARTIALLY ACHIEVED
NOT ACHIEVED

MAT 1 MAINTAIN THE HIGHEST QUALITY OF INTERNAL CONTROLS	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2014	WHERE WE WILL BE BY AUGUST 2015
a) All internal and external audit reports are unqualified	a) All internal and external audit reports are unqualified
b) Any EFA investigations and reviews find no causes for concern	b) Any EFA investigations and reviews find no causes for concern
c) All reports for EFA, Charity Commission, Companies House and DfE are accurate, approved by the Board, and filed on time	c) All reports for EFA, Charity Commission, Companies House and DfE are accurate, approved by the Board, and filed on time

MAT 2 EXECUTE AN EFFECTIVE SCHOOL IMPROVEMENT FUNCTION ACROSS ALL ACADEMIES	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2014	WHERE WE WILL BE BY AUGUST 2015
a) Ofsted judge CA requiring improvement, TA outstanding, RA yet to be judged	a) All academies are judged by Ofsted as at least good
b) Overall progress rates at CA and RA academies are below national and above at TA	b) Overall progress rates at all academies have improved and are close to or above national
c) Executive Headteacher role is new and performance objectives not yet set	c) EH role is embedded and all performance objectives met
d) CA is totally dependent on TMAT for leadership and academic support; RA and TA have a collaborative relationship	d) All academies have a collaborative relationship within the family

MAT 3 ENSURE STABLE AND HIGH QUALITY STAFF TEAMS	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2014	WHERE WE WILL BE BY AUGUST 2015
a) At least 75% of observed lessons are good	a) At least 85% of observed lessons are good
b) 23% of staff were new at the academic 2014-15 year start	b) 17% of staff are new at the start of the 2015-16 academic year
c) Wide variations in the progress made by different groups in different subjects	c) Reduced variations in the progress made by different groups in different subjects

MAT 4 DELIVER EXCELLENT SUPPORT SERVICES TO THE ACADEMIES

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2014

WHERE WE WILL BE BY AUGUST 2015

a) Support services to academies have delivered outstanding outcomes	a) All services to academies have delivered outstanding outcomes
b) No adverse comment made on service provision in any external academy report	b) There is evidence to show how service provision has a direct impact on improved rates of learner progress
c) All academy and MAT accounts are in credit	c) All academy and MAT accounts are in credit
d) Working and learning environments have improved significantly over the year	d) Working and learning environments have improved significantly over the year

MAT 5 DEVELOP THE ROLE OF THE LOCAL GOVERNING BODY

KEY DELIVERABLES

WHERE WE WERE IN AUGUST 2014

WHERE WE WILL BE BY AUGUST 2015

a) LGB procedures do not prioritise challenge	a) Agenda and minutes of LGBs prove challenge
b) External criticism of LGB effectiveness at Cleethorpes Academy	b) External reports cite good governance at all academies
c) Overall progress rates at Cleethorpes and Reynolds Academies are below national and above at Tollbar Academy	c) Overall progress rates at all academies have improved on the previous year

Tollbar Multi Academy Trust

Report of the Trustees- continued for the year ended 31st August 2015

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

Sufficient cash is held in reserve to enable the Trust to support any financial issues that it may experience. Reviews of monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact on the Trust. The principal source of funding is General Annual Grant income from the EFA. Expenditure of this fund has supported the key objectives of the academy trust as set out in the Objectives and Activities section of the Report to Trustees.

The vast majority of the Multi Academy Trust's reserves at 31st August 2015 are committed to future projects.

Reserves Policy

The trustees review the free reserve levels of the Trust on a regular basis. This takes account of income and expenditure streams and the requirement to match income with commitments.

The basic contingency for each constituent academy is set at £100,000, but the contingency developments account varies throughout the year, dependant on levels of expenditure and income streams. These are unrestricted funds and can be spent on anything which further the objectives of the Trust.

The level of reserves is based on a clear understanding of what the money is to be used for and is an essential element of strategic planning.

Investment Policy

The aim of this policy is to ensure that funds which the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise its income without risk. This would be implemented according to the principles within this policy.

Principal Risks and Uncertainties

The risks and strategies for their mitigation over the period 2014-15 have been reviewed and a revised risk management plan for the period 2015-16 is included overleaf. See also the Governance Report.

Tollbar Multi Academy Trust

Report of the Trustees- continued for the year ended 31st August 2015

RISK MANAGEMENT PLAN

The core business of our Multi Academy Trust (MAT) is to guarantee the best life chances to the students who attend our constituent academies by ensuring that they leave:

- Emotionally intelligent;
- Having made educational rates of progress above the national upper quartile rates;
- With a love of learning;
- With a commitment to healthy living;
- With an understanding of the world in which they live;
- Ready and able to function as a member of a community.

To achieve these core objectives each academy sets an annual business plan which is informed by a detailed evaluation of its current position and its future intentions. For each area of activity these academy plans propose measurable outcomes, known as key deliverables, and identifies possible threats to their achievement.

To enable and support academies in their work, the MAT executive team, at the centre of the organisation, sets its own business plan, with its own key deliverables and specifies possible threats to their achievement, and takes into account those identified at academy level.

The MAT priorities for 2014 – 15 were:

1. Maintaining the highest quality of internal controls
2. Executing an effective school improvement function across all academies
3. Ensuring stable and high quality staff teams
4. Delivering excellent support services to the academies
5. Developing the role of the local governing body

Three key deliverables for each priority area have been agreed by the Board, who will hold the Executive to account for their achievement.

Set out below are the possible threats, their likelihood of occurrence, their impact, their calculated priority and the measures for mitigation. Together these form our risk register, risk matrix and risk management plan.

Tollbar Multi Academy Trust

Report of the Trustees- continued for the year ended 31st August 2015

Scales used in this risk management plan

1. Likelihood

Criterion	Probability	Score
Almost certain	> 0.9	5
Likely	0.5 – 0.9	4
Possible	0.3 – 0.5	3
Unlikely	0.1 – 0.3	2
Rare	< 0.1	1

2. Impact

Criterion	Score
Catastrophic	5
Major	4
Moderate	3
Minor	2
Insignificant	1

3. Priority (Pr = Likelihood x Impact)

pr ≥ 10	All mitigation measures in place and frequently reviewed. Actions reflected in business plan.
9 ≥ pr ≥ 5	All mitigation measures in place and reviewed annually
4 ≥ pr	All mitigation measures in place and reviewed at least every two years

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 1	event	likelihood	Impact	Priority	Actions see also BP1	status
1. To maintaining the highest quality of internal controls	i. Leaders of service areas leave	2	5	10	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	ii. Inability to recruit or retain staff with expertise in service areas	4	3	12	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	iii. Changes to EFA requirements	4	2	8	<ul style="list-style-type: none"> Keep up to date with all potential changes [Executive Team] Model consequent procedural changes at the centre and in constituent academies [Executive Team] Model consequent organisational changes across the MAT [Principals + Executive Team] 	On going Prepared Prepared

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 1	event	likelihood	Impact	Priority	Actions see also BP1	status
	iv. Business interruption especially ICT breakdown	1	5	5	<ul style="list-style-type: none"> Business interruption policies in place and reviewed annually for the Centre and constituent academies [COO] Contingency plan for continued teaching for at least 3 days should all ICT fail [ICO] Contingency plan for continued Centre operations should all ICT fail [ICO] Maintain the development of the infrastructure of the academies [RTO] 	<p>In place</p> <p>In place</p> <p>In place</p> <p>On going</p>
	v. Breaches of security and confidentiality	1	5	5	<ul style="list-style-type: none"> Check policies in place and conduct simulation exercises to check effectiveness of procedures [COO + ICO] 	In place
	vi. Insufficient financial expertise at director level	2	3	6	<ul style="list-style-type: none"> Regular training for the Board on financial regulations and internal procedures [CEO] Biennial health check on Board expertise [CEO] Appoint directors with financial expertise [Board] 	<p>In place</p> <p>In place</p> <p>In place</p>
	vii. Undetected accounting error	1	5	5	<ul style="list-style-type: none"> Check method statement of internal audit to ascertain robustness of sampling [CEO] Task internal audit to scrutinise areas of more likely error [CEO] 	<p>In place</p> <p>In place</p>

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 1	event	likelihood	Impact	Priority	Actions see also BP1	status
	viii. Theft or fraud	1	5	5	<ul style="list-style-type: none"> Contingency plan in place to intervene quickly when theft or fraud are suspected, reported or discovered [COO] Whistle blowing policy in place [COO] 	Written In place
	ix. Conflicts of interest not declared	1	3	3	<ul style="list-style-type: none"> Ensure policy and procedures on conflict of interest conforms to Charity regulations [COO] The Clerk should brief the Board, Executive and LGBs on the interpretation of Col [CLERK] 	In place Planned
	x. Audit sampling misses errors	1	4	4	<ul style="list-style-type: none"> Internal audit function detached from external audit and tasked by CEO and reporting to Audit committee [CEO] The Audit Committee receives internal audit reports twice a year [AC] Ensure through the Clerk that the Audit Committee fulfils its audit responsibilities [Chair of Audit] 	In place In place In place

Tollbar Multi Academy Trust

**Report of the Trustees- continued
for the year ended 31st August 2015**

Risk area 1	event	likelihood	Impact	Priority	Actions see also BP1	status
	xi. Undetected misinterpretation of financial regulations	1	4	4	<ul style="list-style-type: none"> Regularly check MAT financial regulations and procedures conform with Company Law, Charitable Law, The Articles of Association, The Funding Agreement and the EFA Financial Handbook [CFO] Ensure training of all staff and members of the Board and ensure a current written version of the MAT financial regulations is in their possession [CFO] 	Completed In place
	xii. Student numbers (and income) fall	2	4	8	<ul style="list-style-type: none"> Keep 11-16 student numbers under review and model financial implications [COO] Keep 16+ student numbers under review and model financial implications [COO] Keep up to date with national funding arrangements and model financial implications [COO] 	In place In place In place

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 2	Possible event	likelihood	impact	Priority	Actions see also BP 2	status
<p>2. To executing an effective school improvement function across all academies</p>	<p>i. Staff changes at academy level inhibit improvement strategies</p>	3	3	9	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	<p>ii. EH or SDO leaves or is absent</p>	3	4	12	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 Succession plan prepared [COO] 	In place
	<p>iii. Executive Headteacher's academy improvement strategies stall</p>	2	5	10	<ul style="list-style-type: none"> Frequent and regular meeting between CEO and EHs Half termly progress report to LGB and through to the Board 	Planned Planned
	<p>iv. Changes in the ways attainment and progress are measured and reported</p>	5	4	20	<ul style="list-style-type: none"> Keep up to date with all potential changes [Principals+ Executive Team] Model consequent curriculum changes in constituent academies [Principals + Executive Team] Model consequent student grouping changes in constituent academies [Principals + Executive Team] 	In place Reviewed regularly Reviewed regularly

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 2	Possible event	Likelihood	Impact	Priority	Actions see also BP 2	status
					<ul style="list-style-type: none"> Adjust student level targets accordingly in constituent academies [Principals] Adjust academy academic targets accordingly in constituent academies [Principals] Keep students and parents informed of planned changes [Principals] Adjust academy academic targets accordingly in constituent academies [Principals] 	<p>Reviewed regularly</p> <p>In place</p> <p>Reviewed regularly</p>
	v. Further changes to the way Ofsted judges schools	5	4	20	<ul style="list-style-type: none"> Keep up to date with all potential changes [Principals + Executive Team] Keep students and parents informed of planned changes [Principals] Check academies are prepared for any new inspection arrangements 	<p>In place</p> <p>In place</p> <p>In place</p>
	vi. Changes to student entry profiles	4	4	16	<ul style="list-style-type: none"> Undertake detailed analyses of student attainment on entry in constituent academies [Principals] Adjust curriculum accordingly in constituent academies [Principals + Executive Team] Adjust student groupings accordingly in constituent academies [Principals + Executive Team] 	<p>Ongoing</p> <p>Prepared</p> <p>Prepared</p>

Tollbar Multi Academy Trust

**Report of the Trustees- continued
for the year ended 31st August 2015**

Risk area 2	Possible event	likelihood	impact	Priority	Actions see also BP 2	status
	vii. Change in political landscape	3	3	9	<ul style="list-style-type: none"> Keep up to date with possible changes [Executive Team] Model consequences on existing provision [Executive Team] 	Ongoing Prepared
	viii. Business interruption at the centre or in constituent academies	2	4	8	<ul style="list-style-type: none"> See mitigation in RA 1iv 	

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 3	event	likelihood	Impact	Priority	Actions see also BP3	status
3. To ensuring stable and high quality staff teams	i. Staff instability continues and inhibits improvements in the academies	5	4	20	<ul style="list-style-type: none"> Ensure that success criteria in the strategies related to Priority 3 in the Business Plan are tied to leaders' performance objectives [COO] Review regularly the progress of the strategies in Priority 3 in the Business Plan[COO] 	<p>To do</p> <p>Schedule to write</p>
	ii. Key leaders in support and teaching leave	4	4	16	<ul style="list-style-type: none"> Accurate assessments based on current staff profile and future business needs inform staffing requirements over the near future [HRO] Succession plans detail methods by which future staffing requirements will be met [HRO] Development programme in place which grows internally some identified staff for positions identified above [HRO] Early external recruitment where necessary [HRO] 	<p>In place</p> <p>Underway</p> <p>In place</p> <p>Underway for teachers</p>
	iii. Inability to recruit suitably experienced personnel in teaching and support	4	4	16	<ul style="list-style-type: none"> Robust staff performance management identifies development needs of staff not fully meeting their job requirements or performance targets [HRO + Principals + SIO] Targeted development programme in place for staff identified through PM [HRO] Recruit to replace staff who still fail to meet requirements and targets [HRO] 	<p>In place</p> <p>In place</p> <p>In place</p>

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 3	event	likelihood	Impact	Priority	Actions see also BP3	status
	iv. Competitor MATs develop more effective retention and recruitment strategies	2	3	6	<ul style="list-style-type: none"> Monitor conditions and structures in competitor MATS and Institutions [HRO] Consider and model alternative pay and rewards structures [HRO] 	Underway Underway
	v. Best teachers move away from the classroom	3	4	12	<ul style="list-style-type: none"> MAT pay policy rewards effective teachers who choose to stay in the classroom rather than migrate to management [COO] 	Underway
	vi. An economic recovery leads to a reduction of entrants into teaching	2	4	8	<ul style="list-style-type: none"> Horizon scanning to foresee likely impact of change of administration [Executive Team] Retention policy strengthened [HRO] 	In place Planned
	vii. Serious incident affects the reputation of the MAT	1	4	4	<ul style="list-style-type: none"> Contingency plan in place which includes use of PR consultancy [HRO +ICO] 	In place

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 4	event	likelihood	Impact	Priority	Actions see also BP4	status
4. To delivering excellent support services to the academies	i. Service area leaders leave	2	5	10	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	ii. Errors or delays in service provision affect the smooth running of academies	1	5	5	<ul style="list-style-type: none"> Ensure alignment of understanding between centre and constituent academies before any remedial measures applied [CEO + Principal] Agree measurable outcomes within an agreed time period so that measure may be evaluated [CEO + Principal] 	Underway Underway
	iii. Inability to recruit or retain staff with expertise in service areas	4	4	16	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	iv. Service provision found wanting in external inspection or review of an academy	1	4	4	<ul style="list-style-type: none"> Regularly survey SLT in constituent academies to ascertain satisfaction and areas of concern [COO] Ensure service plans (strategies) in BP4 include success criteria that form the basis of service leaders performance objectives [COO] Ensure robust staff performance for all service leaders (targets, appraisal etc) [HRO] Keep the pay and conditions of staff who work at the centre under regular review [HRO] 	In place To do Procedure in place Procedure in place

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 4	event	likelihood	Impact	Priority	Actions see also BP4	status
	v. HR litigation	1	5	5	<ul style="list-style-type: none"> Detailed HR procedures, checked by legal, in place and followed to the letter [HRO] Policy on compromise agreements is in place [HRO] 	In place
	vi. Inadequate legal advice	1	5	5	<ul style="list-style-type: none"> Annual report by Executive Team on effectiveness of legal advice over the past 12 months is shared with the Board [CEO] 	Planned
	vii. Business interruption at the centre	1	4	4	<ul style="list-style-type: none"> See 1iv above [COO] 	In place
	viii. Insufficient capacity at the centre to respond quickly to academy needs	2	4	8	<ul style="list-style-type: none"> Deployment and effectiveness of service provision discussed at MAT meetings [HRO] Regularly check that management charge and particularly service charge to each constituent academy fully covers total centre costs [COO + CEO+ FAO] 	In place In place
	ix. Poor value for money	2	3	6	<ul style="list-style-type: none"> See QA procedures in BP4a [COO] Ensure robust staff performance for all staff at the centre (targets, appraisal etc) [HRO] Keep the pay and conditions of staff who work at the centre under regular review [HRO] 	In place In place In place

Tollbar Multi Academy Trust

Report of the Trustees- continued
for the year ended 31st August 2015

Risk area 5	event	likelihood	Impact	Priority	Actions see also BP5	status
To developing the role of the local governing body	i. LGB as a whole lacks influence over LGB agenda items	1	3	3	<ul style="list-style-type: none"> Chair consults with non-director governors on proposed agenda items [CEO] 	Planned
	ii. Local issues not adequately presented to the Board	1	3	3	<ul style="list-style-type: none"> Chair of LGB presents issue paper as agenda item at every Board meeting [Clerk] Prior to each Board meeting the Chair of the Board meets with the Chairs of GBs to discuss up-coming issues papers [Clerk] 	Planned Planned
	iii. Inability to recruit governors	4	4	16	<ul style="list-style-type: none"> All AT and academy publicity materials advertise for governors [COO] Websites contain recruitment materials for governors as for teachers [ICO] 	Planned Planned

Tollbar Multi Academy Trust

Report of the Trustees- continued for the year ended 31st August 2015 Plans for Future Periods

The core purpose of Tollbar Multi Academy Trust is continually to improve provision and learner outcomes across the Tollbar Family of Academies. This annual business plan sets out how this core purpose will be achieved. It is an enabling plan – enabling constituent academies to focus and deliver on their first responsibility to improve standards.

It is informed by:

- Our vision
- The MAT's key deliverables and the targets of the constituent academies (TA, CA, SA and RA)
- The self-evaluations of the constituent academies (TA, CA, SA and RA)
- Recommendations made in external reviews and inspections of the constituent academies (TA, CA, SA and RA)
- The evaluation of the previous annual plan

And set in the context of our policies, available for public scrutiny set out on:

- Our website

This plan describes actions we will take in five priority areas:

- To develop an effective school improvement function
- To deliver excellent support services to the academies
- To maintain the highest quality of internal controls
- To ensure stable high quality staff teams
- To develop business sustainability and good governance

Within each priority area we have specified:

- The reasons for choosing this particular priority
- The key areas of activity for focus
- The key end-of-year deliverables, preceded by the current position
- The risks to the achievement of the KD's

This plan informs:

- The performance objectives for the CEO and top tier Executive Team
- The risk management plan
- The detailed plans of the MAT Executive Team and Academy Principals


AUDITORS

Insofar 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 auditors are aware of that information.

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The report of the trustees, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8th December 2015 and signed on the Board's behalf by:



P Bond
Chair

Tollbar Multi Academy Trust

Governance Statement for the year ended 31st August 2015

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tollbar Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdown in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance at the meetings of the Board of Trustees was as follows:

Director	AGM Possible Attendance	AGM Actual Attendance	Audit Committee Possible Attendance	Audit Committee Actual Attendance	Board Meeting Possible Attendance	Board Meeting Actual Attendance	Complaints Committee Possible Attendance	Complaints Committee Actual Attendance	Finance Committee Possible Attendance	Finance Committee Actual Attendance	Pay and Performance Committee Possible Attendance	Pay and Performance Committee Actual Attendance	TOTAL POSSIBLE ATTENDANCE	TOTAL ACTUAL ATTENDANCE
Mrs J Aukett	1	0			3	2	0	0	9	7	1	1	14	10
Mr P Bond (Chair)	1	1	1	1	3	3	0	0					5	5
Mr C Browne	1	1	1	0	3	1	0	0	6	0			11	2
Mr P Cornford	1	1	1	1	3	3	0	0			1	1	6	6
Mr A Else	1	1	1	1	3	3	0	0	9	9	1	1	15	15
Mr D J Hampson	1	1			3	3	0	0	9	9			13	13
Mrs J C Hornby	1	0	1	1	3	3	0	0	9	4			14	8
Mrs E Jefferson (Resigned 3/11/14)	1	0					0	0	1	0	1	0	3	0
Mrs A Manders	1	0			3	1	0	0					4	1
Mr S Woolsey	1	1			3	1	0	0	9	9			13	11

Tollbar Multi Academy Trust

Governance Statement-continued for the year ended 31st August 2015

Governance Reviews

Recent OFSTED reports on two of the constituent academies, have commented favourably on governance. Formal self-evaluation on the constituent academies includes section on governance within the leadership and management section. Internal auditors were asked to conduct a formal review of governance of the trust. Their findings:

Executive Summary

Overall Aims

This internal audit review is focussed on two areas. First the governance at the multi-academy trust was reviewed, looking at control procedures and documents in place. Secondly, risk management procedures were reviewed to ensure they are adequate.

Summary of Work Carried Out

To achieve these aims we reviewed the relevant areas of the finance procedures of the trust in detail. We used these procedures as the base for compiling our testing, to ensure systems are working as they should be.

We assessed the following across each academy in the Trust:

Governance

- a) Knowledge and training of the trustees.
- b) Controls over conflict of interests and connected parties.
- c) How the trustees and accounting officer ensure good use of public funds.

Risk

- d) How the Trust's risk register recognises and monitors present and future risks.
- e) Detailed plans in place regarding major risks.
- f) How key individuals throughout the trust are involved.

Summary of Key Results

Below is an overview of the detailed work carried out in both areas. We have also extracted the two main potential action points which emerged from our audit.

Governance

- a) Trustee knowledge and training is appropriate.
- b) Conflicts of interests are managed well.
- c) Trustees and the accounting officer evidence strong financial oversight.

Risk

- d) An excellent risk register, with a wide range of potential risks appropriately monitored.
- e) Plans for major risks, such as disasters, financial problems are strong and have been prepared in detail.
- f) Risk management is effectively communicated to key individuals.

Tollbar Multi Academy Trust

Governance Statement - continued for the year ended 31st August 2015

The Finance Committee is a committee of the main Board of Trustees and meets on a monthly basis. Its terms of reference are as follows:

Finance (Quorum of Directors 3)

1. The Board delegates the regular detailed monitoring of budget income and expenditure to this committee.
2. Six directors are members of this committee.
3. The Board appoints a Chair and Vice Chair from the non-executive directors of the Board.
4. Membership includes the CEO, DCEO and CFO.
5. The committee may invite Principals of constituent academies to attend.
6. The Internal Auditor may be invited to attend meetings of the committee.
7. The Committee is required to:
 - meet at regular intervals (monthly if feasible) to review in detail the budget monitoring reports of the Centre and constituent academies along with associated papers presented by the CEO
 - agree all budget amendments including virements over the Chief Executive's delegated financial limits which are to be countersigned by the Chair of Finance
 - authorise the disposal of assets beyond the delegated limits to the CEO.
 - deal with all matters pertaining to tendering for services, arranging quotations, letting contracts where the potential cost exceeds the limit delegated to the CEO and in accordance with the tendering policy.

The audit committee is a committee of the main Board of Trustees. See below (capacity to handle risk) for its terms of reference.

Review of Value for Money

The Chief Executive Officer (Accounting Officer) 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. The accounting officer has delivered improved value for money during the year as follows:

For each academy, the trust relates per pupil grant funding (input) with overall pupil progress (output) to derive a value for money index. Our Value for Money measure calculates points progress per £1,000. This is benchmarked against neighbouring academies and national medians for each of primary and secondary phases. Our indices show Tollbar Academy delivering value for money above national and well above local medians and Cleethorpes and Reynolds Academies delivering value for money broadly in line with national and above local medians.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tollbar Multi-Academy Trust Limited for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

Tollbar Multi Academy Trust

Governance Statement - continued for the year ended 31st August 2015

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed (see above) 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 Multi Academy Trust's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the audit committee of the Board of Trustees.

The Audit Committee meets as appropriate. Its terms of reference are as follows:

Audit (Quorum of Directors 3)

1. This is a statutory committee responsible for providing assurance to the Board on the system of internal controls, risk management and financial probity.
2. The Board delegates the regular and detailed monitoring of internal controls.
3. The Board appoints a Chair and Vice Chair from the non-executive directors of the Board.
4. The CEO, DCEO and CFO should normally be invited.
5. The committee may invite Principals of constituent academies to attend.
6. The Auditor / Accountant will be invited to attend meetings of the committee.
7. The Committee is required to:
 - inform the work plan for the audit reviews
 - receive reports from the Internal Auditor on the effectiveness of the financial procedures and control of the centre and constituent academies
 - receive from the CEO the reports on the effectiveness of the financial procedures and control of the MAT in accordance with the MAT Financial Regulations and the current Academies' Financial Handbook.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes 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:

- to appoint Forester Boyd Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the multi academy trust's financial systems. In particular the checks carried out in the current period included:

- Trustee knowledge and training for governance purposes
- Governance over connected parties and conflicts of interest.
- Accounting Officer and Trustee control over public funds.
- Risk Register review.
- Plans for major risks and upcoming risks.
- Communication and updates of risk management processes.

On an annual basis, the auditor reports to the Board of Trustees, through the audit committee and/or the finance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Tollbar Multi Academy Trust

**Governance Statement - continued
for the year ended 31st August 2015**


Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment 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 the review of the system of internal control by the audit committee and finance committee, to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8th December 2015 and signed on its behalf by:



P Bond
Chair



D J Hampson OBE
Accounting Officer

Tollbar Multi Academy Trust

**Statement on Regularity, Propriety and Compliance
for the year ended 31st August 2015**

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

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

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



Mr D J Hampson OBE
Accounting Officer

8th December 2015

Tollbar Multi Academy Trust

Statement of Trustees Responsibilities for the year ended 31st August 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of 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 Board of Trustees on 8th December 2015 and signed on its behalf by:



P Bond
Chair

Report of the Independent Auditors to the Members of Tollbar Multi Academy Trust

We have audited the financial statements of Tollbar Multi Academy Trust for the year ended 31st August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Peter Duffield LLB FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

8th December 2015

Independent Reporting Accountant's Assurance Report on Regularity to Tollbar Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25th November 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 Tollbar Multi Academy Trust during the period 1st September 2014 to 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 Tollbar Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tollbar Multi Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tollbar Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Tollbar Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tollbar Multi Academy Trust's funding agreement with the Secretary of State for Education dated 23rd January 2013 and the Academies Financial Handbook, extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2014 to 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.

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy trust, including those procured from related parties of the academy trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the academy trust's bank account and debit card is appropriate for the purposes of the academy trust and that there has been no personal expenditure from the academy trust's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st September 2014 to 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.



Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

8th December 2015

Tollbar Multi Academy Trust

Statement of Financial Activities
for the year ended 31st August 2015

				2015	2014	
	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £	Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	29,287	-	-	29,287	1,770,704
Activities for generating funds	3	41,986	-	-	41,986	46,786
Investment income	4	31,011	-	-	31,011	29,134
Incoming resources from charitable activities						
Academy's educational operations	5	-	67,955	18,882,400	18,950,355	18,667,454
Total incoming resources		102,284	67,955	18,882,400	19,052,639	20,514,078
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	7	12,691	-	-	12,691	42,150
Charitable activities						
Academy's educational operations	8	-	587,653	17,633,885	18,221,538	18,374,665
Governance costs	9	-	-	52,232	52,232	63,285
Total resources expended	6	12,691	587,653	17,686,117	18,286,461	18,480,100
NET INCOME/(EXPENDITURE) FOR THE YEAR						
		89,593	(519,698)	1,196,283	766,178	2,033,978
Gross transfers between funds						
	19	-	595,082	(595,082)	-	-
Net income/(expenditure) for the year before other recognised gains and losses						
		89,593	75,384	601,201	766,178	2,033,978
Revaluation		-	30,848,420	-	30,848,420	-
Actuarial gains/losses on defined benefit schemes		-	-	(293,000)	(293,000)	(817,000)
Net movement in funds		89,593	30,923,804	308,201	31,321,598	1,216,978
RECONCILIATION OF FUNDS						
Total funds brought forward		393,613	26,574,932	(1,382,935)	25,585,610	24,368,632
TOTAL FUNDS CARRIED FORWARD		483,206	57,498,736	(1,074,734)	56,907,208	25,585,610

CONTINUING OPERATIONS

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

The notes form part of these financial statements

Tollbar Multi Academy Trust (Registered Company Number: 08085503)

Balance Sheet
At 31st August 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	14	57,508,969	26,472,379
CURRENT ASSETS			
Debtors	15	183,384	217,168
Cash at bank		<u>2,666,413</u>	<u>1,656,461</u>
		2,849,797	1,873,629
CREDITORS			
Amounts falling due within one year	16	(563,558)	(278,398)
NET CURRENT ASSETS		<u>2,286,239</u>	<u>1,595,231</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		59,795,208	28,067,610
PENSION LIABILITY	20	(2,888,000)	(2,482,000)
NET ASSETS		<u>56,907,208</u>	<u>25,585,610</u>
FUNDS			
Unrestricted funds	19	483,206	393,613
Restricted funds		<u>56,424,002</u>	<u>25,191,997</u>
TOTAL FUNDS		<u>56,907,208</u>	<u>25,585,610</u>

The financial statements were approved by the Board of Trustees on 8th December 2015 and were signed on its behalf by:



P Bond -Chair

Tollbar Multi Academy Trust

**Cash Flow Statement
for the year ended 31st August 2015**

		2015	2014
	Notes	£	£
Net cash inflow from operating activities	24	1,597,175	864,610
Returns on investments and servicing of finance	25	31,011	29,134
Capital expenditure and financial investment	25	(618,234)	(1,588,353)
Increase/(decrease) in cash in the period		<u>1,009,952</u>	<u>(694,609)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	26		
Increase/(decrease) in cash in the period		<u>1,009,952</u>	<u>(694,609)</u>
Change in net debt resulting from cash flows		<u>1,009,952</u>	<u>(694,609)</u>
Movement in net debt in the period		1,009,952	(694,609)
Net debt at 1st September		<u>1,656,461</u>	<u>2,351,070</u>
Net debt at 31st August		<u>2,666,413</u>	<u>1,656,461</u>

The notes form part of these financial statements

**Notes to the financial statements
for the year ended 31st August 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, are set out below.

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

Incoming resources

All incoming resources are included in the Statement of financial activities when the 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the 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 Trust's policies.

**Notes to the Financial Statements - continued
for the year ended 31st August 2015**

1. ACCOUNTING POLICIES - continued

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 in 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.

Tangible fixed assets

Assets costing more than £2,000 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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Freehold land is not depreciated. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years straight line
Leasehold property	- 50 years straight line
Leasehold land	- over the period of the lease
Plant and Machinery	- 5 years straight line
Fixtures and Fittings	- 4 years straight line
Computer Equipment	- 3 years 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.

Taxation

The 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 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.

Notes to the Financial Statements - continued
for the year ended 31st August 2015

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

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

Pension costs and other post-retirement benefits

Retirement benefits to employees of the 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 21, 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.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Donations	29,287	-	29,287	18,174
Transferred to the Multi Academy Trust	-	-	-	<u>1,752,530</u>
	<u>29,287</u>	<u>-</u>	<u>29,287</u>	<u>1,770,704</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Other income	20,093	-	20,093	21,829
Hire of facilities	15,751	-	15,751	16,100
Catering income	<u>6,142</u>	<u>-</u>	<u>6,142</u>	<u>8,857</u>
	<u>41,986</u>	<u>-</u>	<u>41,986</u>	<u>46,786</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Rents received	20,256	-	20,256	18,693
Deposit account interest	<u>10,755</u>	<u>-</u>	<u>10,755</u>	<u>10,441</u>
	<u>31,011</u>	<u>-</u>	<u>31,011</u>	<u>29,134</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
General Annual Grant (GAG)	-	17,368,651	17,368,651	17,290,337
Other DfE/EFA grants	-	822,090	822,090	677,843
Local authority grants	-	192,900	192,900	166,792
Other grants and income	-	498,759	498,759	466,419
Capital grants	-	<u>67,955</u>	<u>67,955</u>	<u>66,063</u>
	<u>-</u>	<u>18,950,355</u>	<u>18,950,355</u>	<u>18,667,454</u>

6. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure		2015 Total £	2014 Total £
		Premises £	Other costs £		
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	7,290	-	5,401	12,691	42,150
Charitable activities					
Academies educational operations					
Direct costs	11,797,336	-	902,396	12,699,732	12,371,381
Allocated support costs	<u>2,945,628</u>	<u>886,313</u>	<u>1,689,865</u>	<u>5,521,806</u>	<u>6,003,284</u>
	14,750,254	886,313	2,597,662	18,234,229	18,416,815
Governance costs including allocated support costs	<u>18,330</u>	<u>-</u>	<u>33,902</u>	<u>52,232</u>	<u>63,285</u>
	<u>14,768,584</u>	<u>886,313</u>	<u>2,631,564</u>	<u>18,286,461</u>	<u>18,480,100</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

6. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	13,500	10,000
Auditors' remuneration for non-audit work	11,095	18,900
Depreciation - owned assets	578,780	703,355
Deficit\surplus) on disposal of fixed asset	<u>667</u>	<u>(10,420)</u>

Included within resources expended is £2,545 (2014 £Nil) in respect of a non-contractual severance payment.

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Purchases	5,401	-	5,401	10,440
Staff costs	<u>7,290</u>	<u>-</u>	<u>7,290</u>	<u>31,710</u>
	<u>12,691</u>	<u>-</u>	<u>12,691</u>	<u>42,150</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Direct costs				
Teaching and educational support staff	-	11,797,336	11,797,336	11,425,460
Technology costs	-	16,695	16,695	113,933
Educational supplies	-	418,784	418,784	376,059
Examination fees	-	234,064	234,064	260,488
Educational consultancy	<u>-</u>	<u>232,853</u>	<u>232,853</u>	<u>195,441</u>
	-	12,699,732	12,699,732	12,371,381
Allocated support costs				
Support staff costs	-	2,945,628	2,945,628	2,790,900
Depreciation	-	578,780	578,780	703,355
Loss on sale of assets	-	667	667	(10,420)
Technology costs	-	183,048	183,048	149,941
Recruitment and support	-	116,996	116,996	147,303
Maintenance of premises and equipment	-	605,284	605,284	1,097,682
Cleaning	-	30,905	30,905	26,372
Rent and rates	-	83,046	83,046	73,569
Energy costs	-	247,236	247,236	247,676
Insurance	-	87,166	87,166	85,037
Security and transport	-	10,213	10,213	11,204
Catering	-	218,184	218,184	202,942
Other support costs	<u>-</u>	<u>414,653</u>	<u>414,653</u>	<u>477,723</u>
	-	5,521,806	5,521,806	6,003,284
	<u>-</u>	<u>18,221,538</u>	<u>18,221,538</u>	<u>18,374,665</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

9. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Staff costs	-	17,770	17,770	17,910
Trustees' expenses	-	560	560	629
Auditors' remuneration	-	13,500	13,500	10,000
Auditors' remuneration for non-audit work	-	11,095	11,095	18,900
Legal and professional fees	-	4,307	4,307	5,846
Internal audit fees	-	5,000	5,000	10,000
	<u>-</u>	<u>52,232</u>	<u>52,232</u>	<u>63,285</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

During the period retirement benefits were accruing to one trustee in respect of defined benefit pension schemes.

The Chief Executive and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Trust in respect of their role as trustees. The value of trustees' remuneration fell within the following bands:

	2015 £	2014 £
Mr D J Hampson OBE	185,000 - 190,000	185,000 - 190,000
Mrs J C Hornby	75,000 - 80,000	70,000 - 75,000

Mr D J Hampson's salary is fixed, has not changed from the previous year and does not attract pension contributions from the MAT. Included in the salary above for Mr D J Hampson OBE is £10,000 relating to an honorarium payment authorised in the year ended 31st August 2014.

Included in the salary above for Mrs J C Hornby is £4,000 relating to an honorarium payment in September 2014.

Trustees' expenses

During the year ended 31st August 2015, expenses totalling £560 (2014 £629) were reimbursed to four trustees (2014 two trustees).

Notes to the Financial Statements - continued
for the year ended 31st August 2015

11. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	12,067,917	11,555,521
Social security costs	776,560	830,823
Other pension costs	<u>1,842,395</u>	<u>1,702,795</u>
	14,686,872	14,089,139
Supply teacher costs	78,607	93,625
Compensation payments	<u>2,545</u>	<u>83,216</u>
	<u><u>14,768,024</u></u>	<u><u>14,265,980</u></u>

Included in staff restructuring costs is a singular non-statutory/non-contractual severance payment totalling £2,545.

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

	2015	2014
Teachers	259	251
Administrative/Support	154	170
Management	<u>15</u>	<u>13</u>
	<u><u>428</u></u>	<u><u>434</u></u>

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

	2015	2014
£60,001 - £70,000	1	5
£70,001 - £80,000	3	1
£80,001 - £90,000	2	3
£180,001 - £190,000	<u>1</u>	<u>1</u>
	<u><u>7</u></u>	<u><u>10</u></u>

One (2014 One) of the above employees participated in the Teachers' Pension Scheme and pension contributions in respect of that employee were £10,211 (2014 £10,110). Five (2014 Eight) of the above employees participated in the Local Government Pension Scheme and pension contributions in respect of those employees amounted to £63,723 (2014 £92,608).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the multi academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2015 was £1,240 (2014 £1,200). The cost of this insurance is included in the total insurance cost as shown in note 8.

Notes to the Financial Statements - continued
for the year ended 31st August 2015

13. CENTRAL SERVICES

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

- Personnel
- Finance
- School Improvement
- ICT
- Buildings and Resource Management

The trust charges for these services on the following basis:

- Management Charges are made based on 5% of pupil-related EFA funding; and
- Service Charges are made based on time spent by the Education Welfare Officers, School Improvement Officers, Catering Manager and extra staffing as and when costs are incurred

The actual amounts charged during the year were as follows:

	2015	2014
	£	£
Tollbar Academy	1,389,973	1,262,548
Cleethorpes Academy	548,102	412,496
Reynolds Academy	<u>247,540</u>	<u>195,582</u>
Total	<u><u>2,185,615</u></u>	<u><u>1,870,626</u></u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1st September 2014	10,620,100	14,882,463	411,555
Additions	185,627	49,242	153,430
Disposals	-	-	(12,500)
Revaluations	19,922,278	10,926,142	-
At 31st August 2015	<u>30,728,005</u>	<u>25,857,847</u>	<u>552,485</u>
DEPRECIATION			
At 1st September 2014	-	-	102,640
Charge for year	-	-	106,644
Eliminated on disposal	-	-	(5,833)
At 31st August 2015	-	-	<u>203,451</u>
NET BOOK VALUE			
At 31st August 2015	<u>30,728,005</u>	<u>25,857,847</u>	<u>349,034</u>
At 31st August 2014	<u>10,620,100</u>	<u>14,882,463</u>	<u>308,915</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1st September 2014	389,905	1,522,756	27,826,779
Additions	47,822	337,496	773,617
Disposals	-	-	(12,500)
Revaluations	-	-	30,848,420
At 31st August 2015	<u>437,727</u>	<u>1,860,252</u>	<u>59,436,316</u>
DEPRECIATION			
At 1st September 2014	203,905	1,047,855	1,354,400
Charge for year	101,122	371,014	578,780
Eliminated on disposal	-	-	(5,833)
At 31st August 2015	<u>305,027</u>	<u>1,418,869</u>	<u>1,927,347</u>
NET BOOK VALUE			
At 31st August 2015	<u>132,700</u>	<u>441,383</u>	<u>57,508,969</u>
At 31st August 2014	<u>186,000</u>	<u>474,901</u>	<u>26,472,379</u>

Cost or Valuation at 31st August 2015 is represented by:

	Freehold Property	Long Leasehold Property	Plant Machinery and Vehicles	Fixtures and Fittings	Computer Equipment
Valuation in 2015	30,728,005	25,857,847	-	-	-
Cost	-	-	552,485	437,726	1,860,252
	<u>30,728,005</u>	<u>25,857,847</u>	<u>552,485</u>	<u>437,726</u>	<u>1,860,252</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

14. TANGIBLE FIXED ASSETS - continued

If freehold and long leasehold properties had not been revalued they would have been included at the following historical cost:

	2015	2014
Cost	25,737,432	25,502,563

During the year Freehold and Leasehold properties were valued on an open market basis by NPS Group at £30,728,005 and £25,857,847 respectively.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Sundry debtors	39,213	7,737
VAT recoverable	78,737	153,348
Prepayments	<u>65,434</u>	<u>56,083</u>
	<u>183,384</u>	<u>217,168</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Social security and other taxes	253,299	245,744
Accruals and deferred income	<u>310,259</u>	<u>32,654</u>
	<u>563,558</u>	<u>278,398</u>

Deferred Income	2015 £
Deferred income at 1st September 2014	8,050
Resources deferred in the year	173,472
Amounts released from previous year	<u>(8,050)</u>
Deferred income at 31st August 2015	<u>173,472</u>

Deferred income relates to monies for the 2015-16 academic year. Amounts carried forward relate to:

	£
Somercotes Academy	80,000
Pupil statements	11,965
Early years funding	<u>81,507</u>
	<u>173,472</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

17. 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. The total number of such guarantees on 31st August 2015 was three.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2015	2014
	Unrestricted funds	Restricted fixed asset funds	Restricted funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	57,508,969	-	57,508,969	26,472,379
Current assets	483,206	71,195	2,295,396	2,849,797	1,873,629
Current liabilities	-	-	(563,558)	(563,558)	(278,398)
Pension liability	-	-	(2,888,000)	(2,888,000)	(2,482,000)
	<u>483,206</u>	<u>57,580,164</u>	<u>(1,156,162)</u>	<u>56,907,208</u>	<u>25,585,610</u>

19. MOVEMENT IN FUNDS

	At 1.9.14	Net movement in funds	Transfers between funds	At 31.8.15
	£	£	£	£
Unrestricted funds				
General fund	393,613	89,593	-	483,206
Restricted funds				
General Annual Grant (GAG)	1,099,065	1,309,283	(595,082)	1,813,266
Pension reserve	(2,482,000)	(406,000)	-	(2,888,000)
PFS Grant	2	-	-	2
Assets acquired with PFS Grant	7,449,403	-	-	7,449,403
Devolved formula capital grant	102,551	(31,358)	-	71,193
Other fixed assets on conversion/acquired	<u>19,022,976</u>	<u>30,360,080</u>	<u>595,082</u>	<u>49,978,138</u>
	<u>25,191,997</u>	<u>31,232,005</u>	<u>-</u>	<u>56,424,002</u>
TOTAL FUNDS	<u>25,585,610</u>	<u>31,321,598</u>	<u>-</u>	<u>56,907,208</u>

Net movements in funds, included in the above, are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	102,284	(12,691)	-	89,593
Restricted funds				
General Annual Grant (GAG)	17,368,651	(16,059,368)	-	1,309,283
Other EFA restricted funds	822,090	(822,090)	-	-
Other restricted funds	691,659	(691,659)	-	-
Pension reserve	-	(113,000)	(293,000)	(406,000)
Devolved formula capital grant	67,955	(99,313)	-	(31,358)
Other fixed assets on conversion/acquired	-	(488,340)	30,848,420	30,360,080
	<u>18,950,355</u>	<u>(18,273,770)</u>	<u>30,555,420</u>	<u>31,232,005</u>
TOTAL FUNDS	<u>19,052,639</u>	<u>(18,286,461)</u>	<u>30,555,420</u>	<u>31,321,598</u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

19. MOVEMENT IN FUNDS - continued

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

General Funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the trustees. These are not currently designated for particular purposes.

General Annual Grant is made up of a number of different funding streams all of which are to be used to cover the running costs of the Trust. There are no limits on the amounts that can be carried forward in these funding streams.

Other EFA Restricted Funds represent funding received from the EFA for specific projects.

Other Restricted Funds represent all other restricted funds received which must be used for the purpose intended.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme.

PfS Grant represents the amount of funding received from Partnership for Schools to be spent in future years.

Assets Acquired with PfS Grant represents the net book value of property and computer equipment purchased to date using PfS funding.

Devolved Formula Capital Grants represents funding received for capital projects which remains unspent at the end of the period.

Other Fixed Assets on Conversion / Acquired represents the net book value of assets acquired on conversion and during the period.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31st August 2015 were allocated as follows:

	2015 £	2014 £
Tollbar Academy	1,174,527	625,547
Cleethorpes Academy	492,273	562,138
Reynolds Academy	322,838	123,855
Central Services	<u>306,834</u>	<u>181,138</u>
Total before fixed asset fund and pension reserve	2,296,472	1,492,678
Restricted fixed asset fund	57,498,736	26,574,932
Pension reserve	<u>(2,888,000)</u>	<u>(2,482,000)</u>
Total	<u><u>56,907,208</u></u>	<u><u>25,585,610</u></u>

Notes to the Financial Statements - continued
for the year ended 31st August 2015

19. MOVEMENT IN FUNDS - continued

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational Supplies £	Other costs (excluding Depreciation) £	Total £
Tollbar Academy	6,948,232	1,001,554	522,600	1,072,868	9,545,254
Cleethorpes Academy	3,203,038	550,628	302,207	500,919	4,556,669
Reynolds Academy	1,013,643	251,049	57,402	200,867	1,522,961
Central Costs	632,546	1,160,167	20,187	269,897	2,082,797
Academy Trust	11,797,336	2,963,398	902,396	2,044,551	17,707,681

SUMMARY OF FUNDS

	Brought forward £	Net Incoming/ (Outgoing Resources) £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
General funds	401,262	89,593	-	-	483,206
Restricted funds	(1,382,935)	1,196,283	(595,082)	(293,000)	(1,074,734)
Restricted fixed asset funds	26,574,932	(519,698)	595,082	30,848,420	57,498,736
	25,585,610	766,178	-	30,555,420	56,907,208

**Notes to the Financial Statements - continued
for the year ended 31st August 2015**

20. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The East Riding of Yorkshire Council. Both are defined-benefit schemes.

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

There were no contributions payable to the schemes at 31st August 2015 or at 31st August 2014.

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 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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 31st 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 9th 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 1st April 2019.

The pension costs paid to TPS in the period amounted to £1,964,594 (2014:£1,781,654).

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

Notes to the Financial Statements - continued
for the year ended 31st August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2015 was £694,000 (2014 £675,000) of which employer's contributions totalled £542,000 (2014:£537,000) and employees' contributions totalled £152,000 (2014 £138,000). The agreed contribution rates to 31st March 2016 are 20.4% for employers and employee contribution rates will range between 5.5% and 9.9%.

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 18th July 2013.

Principal actuarial assumptions

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

	At 31st August 2015	At 31st August 2014
Rate of increase in salaries	4.10%	4.00%
Rate of increase for pensions in payment/inflation	2.70%	2.70%
Discount rate for scheme liabilities	3.80%	3.70%
Expected return on assets	3.80%	5.70%

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below (expressed as weighted averages):

	Approximate % increase/(decrease) to employer liability	Approximate monetary amount (£000)
0.5% increase in discount rate	13	1,153
1 year increase in member life expectancy	3	266
0.5% increase in salary increase rate	6	537
0.5% increase in pension increase rate	7	582

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

	At 31st August 2015	At 31st August 2014
Retiring today		
Males	21.9 years	21.9 years
Females	24.1 years	24.1 years
Retiring in 20 years		
Males	24.2 years	24.2 years
Females	26.7 years	26.7 years

Notes to the Financial Statements - continued
for the year ended 31st August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

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

	Expected return at 31st August 2015	Fair value at 31st August 2015 £	Expected return at 31st August 2014	Fair value at 31st August 2014 £
Equities	3.80%	4,478,000	6.40%	4,118,000
Bonds	3.80%	597,000	3.20%	536,000
Property	3.80%	658,000	4.50%	374,000
Cash	3.80%	240,000	3.30%	320,000
Total market value of assets		5,973,000		5,348,000
Present value of scheme liabilities - Funded		<u>(8,861,000)</u>		<u>(7,830,000)</u>
Deficit in the scheme		<u>(2,888,000)</u>		<u>(2,482,000)</u>

The expected return on assets are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirement).

The actual return on scheme assets was £35,000 (2014: £493,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost	<u>(675,000)</u>	<u>(565,000)</u>
Total operating charge	<u>(675,000)</u>	<u>(565,000)</u>

Analysis of pension finance income/(costs)

	2015 £	2014 £
Expected return on pension scheme assets	(323,000)	(274,000)
Interest on pension liabilities	<u>303,000</u>	<u>284,000</u>
Pension finance income/(costs)	<u>(695,000)</u>	<u>(575,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £898,000 loss (2014: £605,000 loss).

Notes to the Financial Statements - continued
for the year ended 31st August 2015

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	2015 £000	2014 £000
At 1st September	(7,830,000)	(5,290,000)
Current service cost	(675,000)	(565,000)
Interest cost	(303,000)	(284,000)
Employee contributions	(152,000)	(138,000)
Actuarial gain/(loss)	(4,000)	(1,048,000)
Transferred to the MAT	-	(556,000)
Benefits Paid	<u>103,000</u>	<u>51,000</u>
At 31st August	<u>(8,861,000)</u>	<u>(7,830,000)</u>

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

	2015 £	2014 £
At 1st September	5,348,000	4,188,000
Expected return on assets	323,000	274,000
Actuarial gain/(loss)	(289,000)	231,000
Employer contributions	542,000	537,000
Employee contributions	152,000	138,000
Benefits paid	<u>(103,000)</u>	<u>(51,000)</u>
At 31st August	<u>5,973,000</u>	<u>5,348,000</u>

The estimated value of employer contributions for the year ended 31st August 2016 is £561,000.

The five year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	(8,861)	(7,830)	(5,290)	(4,450)	(3,253)
Fair value of share scheme assets	<u>5,973</u>	<u>5,348</u>	<u>4,188</u>	<u>3,166</u>	<u>2,458</u>
Deficit in the scheme	<u>(2,888)</u>	<u>(2,482)</u>	<u>(1,102)</u>	<u>(1,284)</u>	<u>(796)</u>
Experience adjustments on share of scheme assets					
Amount £000	(289)	231	326	51	32
Experience adjustments on scheme liabilities					
Amount £000	19	(418)	-	(169)	-

21. CONTINGENT LIABILITIES

In the event of the constituent academies of Tollbar Multi Academy Trust ceasing to operate as academies, provisions are included in the funding agreements relating to the clawback of assets and monies paid to the constituent academies.

**Notes to the Financial Statements - continued
for the year ended 31st August 2015**

22. RELATED PARTY DISCLOSURES

Owing to the nature of the 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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The following related party transaction took place during the year ended 31st August 2015.

The trust made purchases from Freedom and Autonomy for Schools - National Association, a company of which Mrs J Aukett (trustee) is a director, totalling £375 (2014 £750) during the year ended 31st August 2015. There were no amounts outstanding at 31st August 2015 or 31st August 2014. The trust made the purchases at arm's length and in entering the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

Trustees' remuneration and expenses

Two Trustees have been paid remuneration from an employment with the academy Trust. The CEO and the other staff trustee only receive remuneration in respect of services they provide undertaking their roles under their contracts of employment, and not in respect of their roles as trustees. The relevant amounts are detailed in note 10.

During the year, the following trustees were reimbursed for travelling and training expenses as follows:

Mrs J Aukett - £225 (2014 £461) travel expenses.

Mr P Bond - £28 (2014 £nil) travel expenses.

Mr D Hampson - £28 (2014 £nil) travel expenses.

Ms A Manders - £204 (2014 £nil) travel expenses and £75 (2014 £nil) training expenses.

23. POST BALANCE SHEET EVENTS

On 10th July 2015, the multi academy trust signed a memorandum of understanding with Lincolnshire County Council and The Governing Body of Birkbeck College, regarding the conversion of Birkbeck College into an academy. On 1st November 2015. Somercotes Academy (formerly Birkbeck College) joined the MAT.

To help with transition of the school into an academy, the Trust received £80,000 from the Secretary of State for Education during the year ended 31st August 2015. The grant was received in two parts, £25,000 to contribute towards the costs associated with the conversion process, and £55,000 is for facilitating school improvements such as leadership support, school premises improvements and staff restructuring. Of these amounts £45,710 had been spent at 31st August 2015 with the remaining amount spent after the balance sheet date. The grant received and the relevant expenditure has been deferred and is to be released on the conversion date of 1st November 2015.

Notes to the Financial Statements - continued
for the year ended 31st August 2015

24. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	766,178	2,033,978
Depreciation charges	578,780	703,355
Loss/(profit) on disposal of fixed assets	667	(10,420)
Capital grants from DfE/EFA	(67,955)	(66,063)
Interest received	(10,755)	(10,441)
Rental income received	(20,256)	(18,693)
FRS 17 pension adjustments	113,000	38,000
Transfer on conversion to MAT	-	(1,752,530)
Cash transferred to MAT from Reynolds	-	21,990
Decrease in debtors	33,784	68,797
Increase/(decrease) in creditors	<u>203,732</u>	<u>(143,363)</u>
Net cash inflow from operating activities	<u><u>1,597,175</u></u>	<u><u>864,610</u></u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	10,755	10,441
Rental income received	<u>20,256</u>	<u>18,693</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>31,011</u></u>	<u><u>29,134</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(692,189)	(1,674,749)
Capital grants from DfE/EFA	67,955	66,063
Sale of tangible fixed assets	<u>6,000</u>	<u>20,333</u>
Net cash outflow for capital expenditure and financial investment	<u><u>(618,234)</u></u>	<u><u>(1,588,353)</u></u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank	1,656,461	1,009,952	2,666,413
	<u>1,656,461</u>	<u>1,009,952</u>	<u>2,666,413</u>
Total	<u><u>1,656,461</u></u>	<u><u>1,009,952</u></u>	<u><u>2,666,413</u></u>