



COMPANY REGISTRATION NUMBER: 08085503 (England and Wales)

Tollbar Multi Academy Trust

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

31st August 2014

Smailes Goldie

Chartered Accountants

 **UK200Group**
Independent quality assured professionals

Tollbar Multi Academy Trust

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for the Year Ended 31st August 2014**

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Tollbar Multi Academy Trust

**Glossary of the Financial Statements
for the Year Ended 31st August 2014**

CEO	Chief Executive Officer
COO	Chief Operating Officer
CFO	Chief Finance Officer
HRO	Human Resources Officer
ICO	Information Communications Officer
SIOS	School Improvement Officer Secondary
SIOP	School Improvement Officer Primary

Tollbar Multi Academy Trust

**Reference and Administrative Details
for the Year Ended 31st August 2014**

MEMBERS	Mr P Bond Mrs J Aukett Mr A Else	<i>Chair</i> <i>Vice Chair</i>
TRUSTEES	Mr C Browne Mr P Cornford Mrs E Jefferson Mr S Woolsey Mrs J C Hornby Mr D J Hampson OBE	<i>(resigned 29 October 2014)</i> <i>Chief Executive and Accounting Officer</i>
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 2014

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 1 primary and two secondary academies in North East Lincolnshire. Its academies have a combined pupil capacity of 3,634 and had a roll of 3,396 in the school census in January 2014.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

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 Limited 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 1.

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

Following appointment, election or co-option, new trustees or governors meet other trustees at full governing meetings. The vice-chair has responsibility for trustee and governor 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. This document sets out in clear terms how decisions are made and the schemes of delegation. 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.

Tollbar Multi Academy Trust

**Report of the Trustees - continued
for the Year Ended 31st August 2014**

The Trust has the following committees and governing bodies in place:

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

Tollbar Multi Academy Trust

Report of the Trustees - continued
for the Year Ended 31st August 2014

CONSTITUENT ACADEMY LOCAL GOVERNING BODIES		
TOLLBAR ACADEMY	Mr P Bond Mr C Arthur Mrs J Aukett Mr A Else Mrs M Mathews Mrs J Mumby Mrs S Nunn Mr N Middleton Mr S E Moon Mrs M Clayton Mrs S Birtwhistle	Chair QUORUM: 3 DELEGATED POWERS: Yes
CLEETHORPES ACADEMY	Mr P Bond Mrs J Aukett Mr K Blake Ms E Conolly Mr M Draper Mr A Else Ms Z Nixon Mr M J Brown Mrs D Taylor Mr J Read	Chair QUORUM: 3 DELEGATED POWERS: Yes
REYNOLDS ACADEMY	Mrs J Aukett Mr A Collins Mr A Else Mrs C Lacey Mrs A Manders Mrs S Raven Mrs M White	Chair QUORUM: 3 DELEGATED POWERS: Yes

Tollbar Multi Academy Trust

**Report of the Trustees - continued
for the Year Ended 31st August 2014**

Connected Organisations, including Related Party Relationships

Tollbar Multi Academy Trust has formed three Local Governing Bodies, acting as committees of the Trust (see above) in respect of its three constituent academies, Tollbar Academy, Cleethorpes Academy and Reynolds Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust operates for charitable purposes to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, Strategies and Activities

Details of the multi academy trust objectives, strategies and activities are included below within the Strategic Report section of the Report of the Trustees.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Multi Academy Trust's objectives and aims and in planning future activities. Given the activities of the Multi Academy Trust and the student population that it services, the trustees consider that the Trust's aims are demonstrably to the public benefit.

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 2013-14 plans are set out below:

MAT 1 ENSURE HIGH LEVEL ACADEMIC OUTCOMES		
RATIONALE		
<p><i>Tollbar MAT was established to improve the life chances of each and every student in the Trust's academies. A key strategy for achieving this is through maximising students' results in national tests and public examinations. The Centre plays a direct role in enabling the constituent academies to deliver on this priority. A specific expectation is that academies prove that they are narrowing gaps between groups whilst improving rates of progress overall.</i></p>		
ACTIONS		RISKS
<p>a) Monitor top-level outturn data from constituent academies and hold Principals to account [CEO]</p> <p>b) Ensure academies set and meet challenging academic targets [CEO]</p> <p>c) Support secondary phase academies in their quality assurance [SIOS]</p> <p>d) Support primary phase academies in their quality assurance [SIOP]</p> <p>e) Support academies in their management of performance [HRO] + [SIOP + SIOS]</p> <p>f) Make any necessary environment changes [COO]</p> <p>g) Guarantee effective resources for teaching and learning [COO]</p> <p>h) Ensure best practices in any one academy are noted and made known across all academies [SIOP SIOS]</p> <p>i) Ensure LGBs fulfil their function of holding the management of their academies to account through an appropriate blend of challenge and support [Chair of the Board]</p>		<p>I. Changes to test and examination methodology</p> <p>II. Changes to performance table methodology</p> <p>III. Changes to student entry profiles</p> <p>IV. Insufficient capacity in SLT in constituent academies</p> <p>V. National changes to funding</p> <p>VI. Change in political landscape</p> <p>VII. Business interruption at the centre or in constituent academies</p>

MAT 2 ENSURE THE SUPPLY AND HIGH QUALITY OF STAFF		
RATIONALE		
<p>Key to success in any academy is the quality of its staff. Initially, using the proven ability of staff from Tollbar Academy to support the work of the MAT and to disseminate Tollbar Academy's winning ways across constituent academies worked well. With required specialisms ranging from nursery through to sixth form and an increasing administrative workload at the centre, recruiting, retaining and developing staff is central to ensuring high quality educational provision across all academies in the family.</p>		
ACTIONS		RISKS
<p>a) Recruit, sustain and support staff to deliver outstanding outcomes [HRO]</p> <p>b) Recruit to the MAT Executive Team from outside and from constituent academies [CEO]</p> <p>c) Assure professional development and expertise in secondary phase academies [SIOS]</p> <p>d) Assure professional development and expertise in primary phase academies [SIOP]</p> <p>e) Support academies in their management of staff performance [HRO] + [SIOP + SIOS]</p> <p>f) Provide pathways for leadership development [HRO] + [CEO]</p>		<p>I. Expertise leaves</p> <p>II. Lack of suitably experienced and qualified staff</p> <p>III. Serious staff misdemeanour</p> <p>IV. Recruitment and retention strategy proves ineffective</p> <p>V. Neighbouring institutions offer better pay, terms and conditions</p> <p>VI. Reputation deteriorates</p>

MAT 3 ENSURE THE PROVISION OF VALUE-FOR-MONEY SERVICES		
RATIONALE		
<p>Tollbar MAT believes that Principals in constituent academies should be 'free' to focus on improving educational outcomes. To this end, the centre enables and facilitates academy management by reducing Principals' bureaucratic workloads through providing a significant proportion of academy support services. This high quality provision needs to be sustained as well as expanded to meet the needs of a developing MAT.</p>		
ACTIONS		RISKS
<p>a) Provide centralised Finance functions [HRO]</p> <p>b) Provide centralised HR functions [HRO]</p> <p>c) Provide centralised ICT support [ICO]</p> <p>d) Provide ICT infrastructure development [ICO]</p> <p>e) Provide property and plant management [COO]</p> <p>f) Procure additional expertise as required [CEO]</p> <p>g) Provide additional services that constituent academies may purchase [COO]</p> <p>h) Guarantee effective resources for teaching and learning [COO]</p> <p>i) Procure suitable consultants to deliver across the full range of business needs [COO]</p>		<p>I. Actions by the centre to deliver improvements in academies not effective</p> <p>II. HR litigation</p> <p>III. Inadequate legal advice</p> <p>IV. Business interruption at the centre</p> <p>V. Insufficient capacity at the centre to respond quickly to academy needs</p> <p>VI. Poor value for money</p>

Tollbar Multi Academy Trust

Report of the Trustees - continued
for the Year Ended 31st August 2014

MAT 4 ENSURE THE EFFECTIVE DISBURSEMENT AND PROPER MANAGEMENT OF FUNDS		
RATIONALE		
<p>The Centre is unequivocal in its intention to control financial management across the MAT. The need to achieve best value in terms of spending public money to deliver the highest student outcomes is at the heart of the MAT's remit. Tight internal controls, honest appraisal of risks and robust risk mitigation measures are central to the Centre's operations and the Board's responsibilities.</p>		
ACTIONS		RISKS
<ul style="list-style-type: none"> a) Ensure transparency on constituent academy accounts [FAO] b) Check for compliance with financial procedures at all levels [FAO] c) Provide regular detailed reports to the constituent academies [FAO] d) Provide regular detailed reports (including the consolidated report) to the Board [FAO] e) Determine the scope of work for the internal auditor [CEO] f) Maintain stringent controls on all cash and credit transactions [FAO] 		<ul style="list-style-type: none"> I. Insufficient financial expertise at Director level II. Business interruption especially ICT breakdown III. Breaches of security and confidentiality IV. Undetected accounting errors V. Due diligence fails to identify hidden financial deficit or liability VI. Audit sampling misses errors VII. Theft or fraud VIII. Undetected misinterpretation of financial regulations IX. Conflicts of interest not declared

MAT 5 ENSURE THE BENEFICIAL DEVELOPMENT OF THE ORGANISATION		
RATIONALE		
<p>Sharing the winning ways of the nationally top ranking Tollbar Academy is both the purpose of the MAT and the magnet to attract other schools into it. The MAT believes that all students are entitled to the opportunities and success that Tollbar Academy has hitherto achieved for its own students. The pre-MAT relationship with Cleethorpes Academy and the proximity of Reynolds Primary School facilitated the establishment of the first three family members. Interest from other schools and encouragement from DfE have yet to generate other family members.</p>		
ACTIONS TO ACHIEVE KEY DELIVERABLES		RISKS TO ACHIEVING KEY DELIVERABLES
<ul style="list-style-type: none"> a) Formulate a long run plan [CEO] b) Continue high profile publicity of the MAT which promotes the ethos, unique selling point and benefits of the Tollbar Family of Academies [ICO] [COO] [CEO] c) Advertise to prospective constituent academies access to the high quality services associated with the MAT (school improvement, legal, HR, finance, IT, resource management) [COO] d) Undertake rigorous due diligence on any applicant (land, finance, performance, HR) [CEO] e) Facilitate the recruitment and transition of new secondary schools into the Tollbar Family of Academies [SIOS] f) Facilitate the recruitment and transition of new primary schools into the Tollbar Family of Academies [SIOP] 		<ul style="list-style-type: none"> I. Lack of clarity on DfE approach to MAT growth - brokerage arrangements II. Ignorance and ambiguity across the educational landscape on the nature of MATs III. Changing government agenda IV. Significant population changes V. Actions of other MATs and establishments VI. Actions of NELC agencies

Achievements and Performance including Key Performance Indicators

This page sets out the key deliverables associated with each priority above for July 2014. The colour coding and comments shows the extent to which these top level targets were achieved

Fully achieved	
Partially achieved	
Not achieved	

MAT 1 ENSURE HIGH LEVEL ACADEMIC OUTCOMES	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2013	WHERE WE WILL BE BY AUGUST 2014
a) <i>One constituent academy is on track to deliver progress rates above the national upper quartile progress rates within 3 years of being in the MAT</i>	a) <i>3 constituent academies are on track to deliver progress rates above the national upper quartile progress rates within 3 years of being in the MAT partially achieved (1/3)</i>
b) <i>One constituent academies is on track to be judged at least good in external inspection within 3 years of being in the MAT</i>	b) <i>3 constituent academies are on track to be judged at least good in external inspection within 3 years of being in the MAT partially achieved</i>
c) <i>Not all academies delivering 75% good or better teaching</i>	c) <i>Over 75% of all teaching observed across all academies is good or better achieved</i>
MAT 2 ENSURE THE SUPPLY AND HIGH QUALITY OF STAFF	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2013	WHERE WE WILL BE BY AUGUST 2014
a) <i>Staffing at full complement in all areas but maths</i>	a) <i>Staffing at full complement in all areas achieved</i>
b) <i>There is evidence to show how training has benefitted the supply of future senior positions of responsibility</i>	b) <i>There is strong evidence to show the effectiveness of mentoring and training in current role and in preparation for promotion achieved</i>
MAT 3 ENSURE THE PROVISION OF VALUE-FOR-MONEY SERVICES	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2013	WHERE WE WILL BE BY AUGUST 2014
a) <i>There is clear evidence of how the full management costs of services provided to the Centre and to each of the constituent academies are being charged and recouped</i>	a) <i>There is clear evidence of how the full management costs of services provided to the Centre and each of the constituent academies are being charged and recouped achieved</i>
b) <i>There is some evidence to show the degree of 'customer satisfaction' across all areas of service provision</i>	b) <i>Surveys show high levels of 'customer satisfaction' across all areas of service provision achieved</i>
c) <i>Market testing proves best value through in-house provision and current business partners</i>	c) <i>Market testing proves best value through in-house provision and current business partners achieved</i>

Tollbar Multi Academy Trust

**Report of the Trustees - continued
for the Year Ended 31st August 2014**

MAT 4 ENSURE THE EFFECTIVE DISBURSEMENT AND PROPER MANAGEMENT OF FUNDS	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2013	WHERE WE WILL BE BY AUGUST 2014
a) <i>Financial management across the MAT established</i>	a) <i>Internal procedures and controls enable the smooth running of all constituent academies achieved</i>
b) <i>Audit report shows all controls to be effective</i>	b) <i>Audit report shows all controls to be effective achieved</i>
c) <i>Risk management in place</i>	c) <i>All known risks mitigated achieved</i>
d) <i>All required reports completed accurately and on time</i>	d) <i>All required reports completed accurately and on time achieved</i>

MAT 5 ENSURE THE BENEFICIAL DEVELOPMENT OF THE ORGANISATION	
KEY DELIVERABLES	
WHERE WE WERE IN AUGUST 2013	WHERE WE WILL BE BY AUGUST 2014
a) <i>There are no long and medium term plans</i>	a) <i>Medium term plan in place partially achieved</i>
b) <i>There are 3 constituent academies in the MAT</i>	b) <i>There are 4 constituent academies in the MAT not achieved</i>
c) <i>No academy is showing improvement across all three measurements of attainment, progress and quality of teaching when compared with the end of the previous year</i>	c) <i>All academies are showing improvement across at least two of the three measurements of attainment, progress and quality of teaching when compared with the end of the previous year partially achieved</i>
d) <i>There is evidence to show that all members of the Executive Team have met most of the success criteria specified in the plans for which they have responsibility</i>	d) <i>There is secure evidence to show that all members of the Executive Team have met most of the success criteria specified in the plans for which they have responsibility achieved</i>

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 vast majority of the multi academy trust's reserves at 31 August 2014 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 furthers 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.

Tollbar Multi Academy Trust

Report of the Trustees - continued for the Year Ended 31st August 2014

PRINCIPAL RISKS AND UNCERTAINTIES

Information is still awaited on future funding for the Trust from 2015 onwards. The impact of national funding spending cuts and of redirected funding streams into the pupil premium for example, may have an adverse effect on grant funding. The trustees are fully aware of this and predicted changes have been factored in to future budget forecasts and spending decisions.

PLANS FOR FUTURE PERIODS

Informed by a thorough evaluation of the impact of the 2013-2014 Business Plan and the long run intentions for the organisation, the Multi Academy Trust, known as the Tollbar Family of Academies, has set its priorities for the 2014-2015 periods which both reflect and inform those of the constituent academies:

The 2014 – 2015 Directors' Report from the Multi Academy Trust will report progress against the key deliverables associated with each of these priorities.

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

1. To maintain the highest quality of internal controls
2. To execute an effective school improvement function across all academies
3. To ensure stable high quality staff teams
4. To deliver excellent support services to the academies
5. To develop the role of the local governing body

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 auditor is aware of that information.

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8 December 2014 and signed on the board's behalf by:



P Bond
Chair

Tollbar Multi Academy Trust

Governance Statement for the Year Ended 31st August 2014

Scope of Responsibility

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

The board of the trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees, and sub-committees of the board, was as follows:

Director/ Trustee	AGM		Audit Committee		Board Meeting		Complaints Committee		Finance Committee		Pay and Performance Committee		TOTAL POSSIBLE ATTENDANCE	TOTAL ACTUAL ATTENDANCE
	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance		
Mrs J Aukett	1	1	N/A	N/A	7	7	2	2	12	11	1	1	23	22
Mr P Bond	1	1	3	3	7	7	N/A	N/A	N/A	N/A	N/A	N/A	11	11
Mr C Browne	1	0	3	0	7	1	N/A	N/A	N/A	N/A	N/A	N/A	11	1
Mr P Cornford	1	0	3	2	7	6	1	1	N/A	N/A	1	1	13	10
Mr A Else	1	1	3	3	7	7	1	1	12	12	1	1	25	25
Mr D J Hampson	1	1	N/A	N/A	7	7	1	1	12	12	N/A	N/A	21	21
Mrs J C Hornby	1	1	3	3	7	5	N/A	N/A	11	5	N/A	N/A	22	14
Mrs E Jefferson	1	1	N/A	N/A	7	7	N/A	N/A	11	8	1	1	20	17
Mr S Woolsey	1	1	N/A	N/A	7	7	1	1	12	12	N/A	N/A	21	21

No formal review of governance has taken place during the year, though 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.

The Finance Committee 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, COO 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:
8. 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
9. Agree all budget amendments including virements over the Chief Executive's delegated financial limits which are to be countersigned by the Chair of Finance
10. Authorise the disposal of assets beyond the delegated limits to the CEO.
11. To 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.

Tollbar Multi Academy Trust

Governance Statement - continued for the Year Ended 31st August 2014

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 charitable company 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 for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The 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, COO 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:
8. Inform the work plan for the audit reviews
9. Receive reports from the Internal Auditor on the effectiveness of the financial procedures and control of the centre and constituent academies
10. 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 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 Forrester Boyd Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal 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.

The internal auditor has delivered their schedule of work as planned. There were no material control issues arising as a result of the internal auditor's work.

Tollbar Multi Academy Trust

**Governance Statement - continued
for the Year Ended 31st August 2014**

RISK MANAGEMENT PLAN

The core business of our Multi Academy Trust 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 are:

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, measures for mitigation, a responsible officer, and the current status of the measures. Together these form our risk register, risk matrix and risk management plan.

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

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 1	event	likelihood	impact	Priority	Actions see also <u>BP1</u>	status
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
	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] 	In place In place In place On going
	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] 	In place In place In place

Tollbar Multi Academy Trust

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 1	event	l'kelihood	impact	Priority	Actions see also BP1	status
	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] 	In place In place
	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
	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

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 2	Possible event	likelihood	impact	Priority	Actions <u>see also BP 2</u>	status
To executing an effective school improvement function across all academies	i. Staff changes at academy level inhibit improvement strategies	3	3	9	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 	
	ii. EH or SDO leaves or is absent	3	4	12	<ul style="list-style-type: none"> Refer to BP3 & Risk Area 3 Succession plan prepared [COO] 	In place
	iii. Executive Headteacher's academy improvement strategies stall	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
	iv. Changes in the ways attainment and progress are measured and reported	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] 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] 	In place Reviewed regularly Reviewed regularly Reviewed regularly Reviewed regularly In place Reviewed regularly

Tollbar Multi Academy Trust

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 2	Possible event	likelihood	impact	Priority	Actions <u>see also BP 2</u>	status
	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>
	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] 	<p>Ongoing</p> <p>Prepared</p>
	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

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 3	event	likelihood	impact	Priority	Actions see also BP3	status
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] 	To do Schedule to write
	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] 	In place Underway In place Underway for teachers
	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] 	In place In place In place
	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

Tollbar Multi Academy Trust

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 3	event	likelihood	impact	Priority	Actions see also BP3	status
	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

Risk area 4	event	likelihood	impact	Priority	Actions see also BP4	status
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
	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 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

Tollbar Multi Academy Trust

Governance Statement - continued
for the Year Ended 31st August 2014

Risk area 4	event	likelihood	impact	Priority	Actions see also BP4	status
	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

Risk area 5	event	likelihood	impact	Priority	Actions see also BP4	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

**Governance Statement - continued
for the Year Ended 31st August 2014**

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 their review of the system of internal control by the audit committee and/or finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2014 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 2014**

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. 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

8 December 2014

Tollbar Multi Academy Trust

Statement of Trustees Responsibilities for the Year Ended 31st August 2014

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;
- 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 the corporate and financial information included on the academy trust'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 8 December 2014 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 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 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
Chartered Accountants, Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

8 December 2014

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 13th May 2014 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tollbar Multi Academy Trust during the period 1st September 2013 to 31st August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2013 to 31st August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 matter 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 EFA/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.

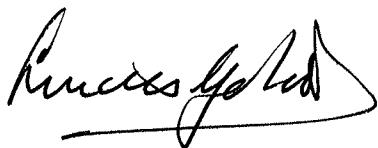
**Independent Reporting Accountant's Assurance Report on Regularity to
Tollbar Multi Academy Trust and the Education Funding Agency**

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

1. During the year ended 31 August 2014 the trust paid a total of £2,339 to Mrs E Jefferson (trustee) for consultancy services provided to the trust. These transactions are not in accordance with the guidelines set by the Academies Financial Handbook, extant from 1 September 2013 and updated October 2013 in relation to transactions with trustees and connected organisations.
2. During the year ended 31 August 2014 the trust paid a total of £750 to Freedom and Autonomy for Schools - National Association, a company in which Mrs J Aukett (member/trustee) is a board director. These transactions have not been undertaken in accordance with the guidelines set by the Academies Financial Handbook, extant from 1 September 2013 and updated October 2013 in relation to transactions with trustees and connected organisations.

The matters noted above would not be relevant to report in the academy financial year ended 31 August 2015 following a change in the Academies Financial Handbook, extant from 1 September 2014, which now includes a de minimis level of £2,500 in relation to transactions with trustees and connected organisations.



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

8 December 2014

Tollbar Multi Academy Trust

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

				Year ended 31.8.14	Period 28.5.12 to 31.8.13
	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	25,035	2,270,669	(525,000)	1,770,704
Activities for generating funds	3	46,786	-	-	46,786
Investment income	4	29,134	-	-	29,134
Incoming resources from charitable activities					
Academy's educational operations	5	-	66,063	18,601,391	18,667,454
Total incoming resources		100,955	2,336,732	18,076,391	20,514,078
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising: cost of goods sold and other costs	7	42,150	-	-	42,150
Charitable activities					
Academy's educational operations		-	706,835	17,667,830	18,374,665
Governance costs	9	-	-	63,285	63,285
Total resources expended	6	42,150	706,835	17,731,115	18,480,100
NET INCOME FOR THE YEAR		58,805	1,629,897	345,276	2,033,978
Gross transfers between funds	19	-	928,036	(928,036)	-
Net income for the year before other recognised gains and losses		58,805	2,557,933	(582,760)	2,033,978
Actuarial gains/losses on defined benefit schemes		-	-	(817,000)	(817,000)
Net movement in funds		58,805	2,557,933	(1,399,760)	1,216,978
RECONCILIATION OF FUNDS					
Total funds brought forward		334,808	24,016,999	16,825	24,368,632
TOTAL FUNDS CARRIED FORWARD		393,613	26,574,932	(1,382,935)	24,368,632

All of the multi academy trust's activities derive from continuing operations in the current year.

The notes form part of these financial statements

Tollbar Multi Academy Trust (Company Registration Number: 08085503)

Balance Sheet
At 31st August 2014

		2014 £	2013 £
FIXED ASSETS	Notes		
Tangible assets	14	26,472,379	23,255,358
CURRENT ASSETS			
Debtors	15	217,168	285,965
Cash at bank		<u>1,656,461</u>	<u>2,351,070</u>
		1,873,629	2,637,035
CREDITORS			
Amounts falling due within one year	16	(278,398)	(421,761)
NET CURRENT ASSETS		<u>1,595,231</u>	<u>2,215,274</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,067,610	25,470,632
PENSION LIABILITY	20	(2,482,000)	(1,102,000)
NET ASSETS		<u>25,585,610</u>	<u>24,368,632</u>
FUNDS	19		
Unrestricted funds		393,613	334,808
Restricted funds		<u>25,191,997</u>	<u>24,033,824</u>
TOTAL FUNDS		<u>25,585,610</u>	<u>24,368,632</u>

The financial statements were approved by the Board of Trustees on 8 December 2014 and were signed on its behalf by:



P Bond
Chair

The notes form part of these financial statements

Tollbar Multi Academy Trust

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

		Year ended 31.8.14 £	Period 28.5.12 to 31.8.13 £
Net cash inflow from operating activities	Notes 24	864,610	631,992
Cash transferred on conversion to an academy	23	-	3,024,390
Returns on investments and servicing of finance	25	29,134	26,759
Capital expenditure and financial investment	25	(1,588,353)	(1,332,071)
(Decrease)/increase in cash in the period		<u>(694,609)</u>	<u>2,351,070</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	26		
(Decrease)/increase in cash in the period		<u>(694,609)</u>	<u>2,351,070</u>
Change in net debt resulting from cash flows		<u>(694,609)</u>	<u>2,351,070</u>
Movement in net debt in the period		(694,609)	2,351,070
Net debt at 1st September		<u>2,351,070</u>	<u>-</u>
Net debt at 31st August		<u>1,656,461</u>	<u>2,351,070</u>

All of the cash flows are derived from continuing operations during the current year.

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention. 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 2013 to 2014 issued by the EFA, applicable accounting standards and the Companies Act 2006.

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. For legacies, entitlement is the earlier of the Trust being notified of an impending distribution or the legacy being received.

Grants receivable

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.

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.

Sponsorship income

Sponsorship income provided to the 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 services and gifts in kind

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 2014

1. ACCOUNTING POLICIES - continued

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds

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

Charitable activities

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs

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

Tangible fixed assets

All assets costing more than £2,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. 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:

Plant and Machinery	- 5 years straight line
Fixtures and Fittings	- 4 years straight line
Computer Equipment	- 3 years straight line

Freehold Property and Long Term Leasehold Property are not depreciated on the grounds of immateriality. Properties are subject to regular maintenance and repair such that in the trustees opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The trustees consider the need for impairment at each period end.

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.

Fund accounting

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

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

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

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

Tollbar Multi Academy Trust

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

1. ACCOUNTING POLICIES - continued

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the 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 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 20, the TPS is a multi-employer scheme and the 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Additions to the Multi Academy Trust

The conversion of Reynolds Primary School from a state maintained school to an academy, which has joined the Tollbar Multi Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred to the Tollbar Multi Academy Trust on conversion of Reynolds Primary School have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Tollbar Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with the corresponding amount recognised in incoming resources as net income in the statement of financial activities and analysed under unrestricted funds and restricted funds. Further details of the transaction are set out in note 23.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Donations	18,174	-	18,174	13,802
Transferred to the Multi Academy Trust (see note 23)	6,861	1,745,669	1,752,530	19,597,789
	<u>25,035</u>	<u>1,745,669</u>	<u>1,770,704</u>	<u>19,611,591</u>

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Other income	21,829	-	21,829	18,990
Hire of facilities	16,100	-	16,100	19,026
Catering income	<u>8,857</u>	<u>-</u>	<u>8,857</u>	<u>11,600</u>
	<u>46,786</u>	<u>-</u>	<u>46,786</u>	<u>49,616</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Rents received	18,693	-	18,693	19,918
Deposit account interest	<u>10,441</u>	<u>-</u>	<u>10,441</u>	<u>6,897</u>
	<u>29,134</u>	<u>-</u>	<u>29,134</u>	<u>26,815</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMIES EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
General Annual Grant (GAG)	-	17,290,337	17,290,337	15,393,007
Other DfE grants	-	677,843	677,843	434,782
Other government grants	-	166,792	166,792	365,697
Other grants and income	-	466,419	466,419	446,967
DfE Capital grant	-	66,063	66,063	212,897
PFS capital grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,595,587</u>
	<u>-</u>	<u>18,667,454</u>	<u>18,667,454</u>	<u>21,448,937</u>

Tollbar Multi Academy Trust

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

6. RESOURCES EXPENDED

		Non-pay expenditure		Year ended	Period
	Staff costs	Premises	Other costs	31.8.14	28.5.12 to 31.8.13
	£	£	£	Total £	Total £
Costs of generating funds					
Fundraising: cost of goods sold and other costs	31,710	-	10,440	42,150	35,889
Charitable activities					
Academies educational operations					
Direct costs	11,425,460	-	945,921	12,371,381	11,164,700
Allocated support costs	<u>2,790,900</u>	<u>1,335,034</u>	<u>1,877,350</u>	<u>6,003,284</u>	<u>5,747,228</u>
	14,248,070	1,335,034	2,833,711	18,416,815	16,947,817
Governance costs including allocated support costs (see note 9)	<u>18,539</u>	<u>-</u>	<u>44,746</u>	<u>63,285</u>	<u>32,510</u>
	<u>14,266,609</u>	<u>1,335,034</u>	<u>2,878,457</u>	<u>18,480,100</u>	<u>16,980,327</u>

Net resources are stated after charging/(crediting):

	Year ended	Period
	31.8.14	28.5.12 to 31.8.13
	£	£
Auditors' remuneration	10,000	14,250
Auditors' remuneration for non-audit work	18,900	2,000
Depreciation - owned assets	703,355	665,295
Surplus on disposal of fixed asset	<u>(10,420)</u>	<u>(2,700)</u>

Included within resources expended are the following transactions (individual transactions exceeding £5,000 are identified separately):

	Total	Individual items above £5,000	Reason
	£	Amount	
		£	
Ex-gratia/compensation payments	46,216	9,235	Goodwill payment in lieu of notice
		9,000	Goodwill payment in lieu of notice
		7,000	Goodwill payment in lieu of notice
		7,000	Goodwill payment in lieu of notice
		5,000	Goodwill payment in lieu of notice

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

7. FUNDRAISING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Purchases	10,440	-	10,440	3,676
Staff costs	<u>31,710</u>	<u>-</u>	<u>31,710</u>	<u>32,213</u>
	<u>42,150</u>	<u>-</u>	<u>42,150</u>	<u>35,889</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Direct costs – academies’ educational operations				
Teaching and educational support staff	-	11,425,460	11,425,460	10,165,634
Technology costs	-	113,933	113,933	47,069
Educational supplies	-	376,059	376,059	455,396
Examination fees	-	260,488	260,488	338,327
Educational consultancy	-	195,441	195,441	158,274
	-	12,371,381	12,371,381	11,164,700
Allocated support costs – academies’ educational operations				
Support staff costs	-	2,790,900	2,790,900	2,449,564
Depreciation	-	703,355	703,355	665,295
Loss on sale of assets	-	(10,420)	(10,420)	(2,700)
Technology costs	-	149,941	149,941	125,109
Recruitment and support	-	147,303	147,303	115,679
Maintenance of premises and equipment	-	1,097,682	1,097,682	1,297,040
Cleaning	-	26,372	26,372	50,461
Rent and rates	-	73,569	73,569	39,450
Energy costs	-	247,676	247,676	236,240
Insurance	-	85,037	85,037	64,843
Security and transport	-	11,204	11,204	21,805
Catering	-	202,942	202,942	246,461
Interest payable and similar charges	-	-	-	56
Other support costs	-	477,723	477,723	437,925
	-	6,003,284	6,003,284	5,747,228
	-	<u>18,374,665</u>	<u>18,374,665</u>	<u>16,911,928</u>

Tollbar Multi Academy Trust

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

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	Year ended 31.8.14 Total funds £	Period 28.5.12 to 31.8.13 Total funds £
Staff costs	-	17,910	17,910	18,060
Trustees' expenses	-	629	629	200
Auditors' remuneration	-	10,000	10,000	14,250
Auditors' remuneration for non-audit work	-	18,900	18,900	-
Legal and professional fees	-	5,846	5,846	-
Internal audit fees	-	10,000	10,000	-
	<u>-</u>	<u>63,285</u>	<u>63,285</u>	<u>32,510</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

During the year retirement benefits were accruing to 1 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:

	2014 £	2013 £
Mr D J Hampson OBE	185,000 - 190,000	175,000 - 180,000
Mrs J Hornby	70,000 - 75,000	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 disclosure above for Mr Hampson is an honorarium payment of £10,000 that was authorised during the previous year, in recognition of his 3 year Project Management role on the Cleethorpes Refurbishment project.

Included in the salary above for Mrs J Hornby is £1,000 relating to an honorarium payment in September 2013.

Trustees' expenses

During the year ended 31 August 2014, expenses totalling £629 (2013 £200) were reimbursed to two trustees (2013 one trustee).

Tollbar Multi Academy Trust

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

11. STAFF COSTS

	Year ended 31.8.14 £	Period 28.5.12 to 31.8.13 £
Wages and salaries	11,555,521	10,504,144
Social security costs	830,823	709,184
Other pension costs	<u>1,702,795</u>	<u>1,452,143</u>
	14,089,139	12,665,471
Supply teacher costs	93,625	-
Staff restructuring costs	<u>83,216</u>	<u>-</u>
	<u><u>14,265,980</u></u>	<u><u>12,665,471</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £46,216. Five of the non-statutory/non-contractual payments exceeded £5,000 individually; these are disclosed in note 6.

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

	Year ended 31.8.14	Period 28.5.12 to 31.8.13
Teachers	251	237
Administrative/Support Management	170 <u>13</u>	180 <u>12</u>
	<u><u>434</u></u>	<u><u>429</u></u>

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

	Year ended 31.8.14	Period 28.5.12 to 31.8.13
£60,001 - £70,000	5	3
£70,001 - £80,000	1	1
£80,001 - £90,000	3	3
£170,001 - £180,000	-	1
£180,001 - £190,000	<u>1</u>	<u>-</u>
	<u><u>10</u></u>	<u><u>8</u></u>

Nine (2013 seven) of the above employees participated in the Teachers' Pension Scheme and the Local Government Pension Scheme. Contributions for these members of staff amounted to £102,718 (2013 £89,567).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the 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 period ended 31 August 2014 was £1,200 (2013 £1,200).

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

Tollbar Multi Academy Trust

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

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:

	2014 £	2013 £
Tollbar Academy	1,262,548	1,078,187
Cleethorpes Academy	412,496	300,171
Reynolds Academy	<u>195,582</u>	<u>-</u>
Total	<u><u>1,870,626</u></u>	<u><u>1,378,358</u></u>

During the year, the trust pooled GAG between its individual academies and the central services department. Details of the amounts pooled during the year were as follows:

Reynolds Academy received a total of £350,000 in relation to pooled GAG. £150,000 of this was received from Central Services, £130,000 was received from Cleethorpes Academy and the remaining £70,000 was received from Tollbar Academy.

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1st September 2013	10,379,947	11,753,010	188,717
Transferred to the Multi Academy Trust (see note 23)	-	2,255,540	-
Additions	240,153	873,913	243,263
Disposals	-	-	(20,425)
At 31st August 2014	<u>10,620,100</u>	<u>14,882,463</u>	<u>411,555</u>
DEPRECIATION			
At 1st September 2013	-	-	43,085
Charge for year	-	-	70,067
Eliminated on disposal	-	-	(10,512)
At 31st August 2014	<u>-</u>	<u>-</u>	<u>102,640</u>
NET BOOK VALUE			
At 31st August 2014	<u>10,620,100</u>	<u>14,882,463</u>	<u>308,915</u>
At 31st August 2013	<u>10,379,947</u>	<u>11,753,010</u>	<u>145,632</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st September 2013	342,231	1,253,010	23,916,915
Transferred to the Multi Academy Trust (see note 23)	-	-	2,255,540
Additions	47,674	269,746	1,674,749
Disposals	-	-	(20,425)
At 31st August 2014	<u>389,905</u>	<u>1,522,756</u>	<u>27,826,779</u>
DEPRECIATION			
At 1st September 2013	93,502	524,970	661,557
Charge for year	110,403	522,885	703,355
Eliminated on disposal	-	-	(10,512)
At 31st August 2014	<u>203,905</u>	<u>1,047,855</u>	<u>1,354,400</u>
NET BOOK VALUE			
At 31st August 2014	<u>186,000</u>	<u>474,901</u>	<u>26,472,379</u>
At 31st August 2013	<u>248,729</u>	<u>728,040</u>	<u>23,255,358</u>

Freehold property is stated at the valuation provided to the Trust by the EFA.

At the year-end, the trust has two long term leasehold properties, both of which are subject to 125 year leases from North East Lincolnshire council. These properties are stated at the valuation provided to the Trust by the EFA, together with redevelopment costs during the periods from conversion to the year ended 31 August 2014. Current valuations are being sought and will be reflected in the following year's financial statements.

Tollbar Multi Academy Trust

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Sundry debtors	7,737	-
VAT debtor	153,348	285,965
Prepayments	<u>56,083</u>	<u>-</u>
	<u>217,168</u>	<u>285,965</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Social security and other taxes	245,744	238,404
Other creditors	-	183,357
Accruals and deferred income	<u>32,654</u>	<u>-</u>
	<u>278,398</u>	<u>421,761</u>

Deferred Income

	2014 £
Deferred income at 1 September 2013	-
Resources deferred in the year	8,050
Amounts released from previous year	<u>-</u>
Deferred income at 31 August 2014	<u>8,050</u>

At the balance sheet date the trust was holding deferred income in relation to Pupil Statement funding, received from the local authority.

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 at 31 August 2014 was three.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2014	2013
	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £	Total funds £
Fixed assets	-	26,472,379	-	26,472,379	23,255,358
Current assets	393,613	102,553	1,377,463	1,873,629	2,637,035
Current liabilities	-	-	(278,398)	(278,398)	(421,761)
Pension liability	<u>-</u>	<u>-</u>	<u>(2,482,000)</u>	<u>(2,482,000)</u>	<u>(1,102,000)</u>
	<u>393,613</u>	<u>26,574,932</u>	<u>(1,382,935)</u>	<u>25,585,610</u>	<u>24,368,632</u>

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

19. MOVEMENT IN FUNDS

	At 1.9.13 £	Net movement in funds £	Transfers between funds £	At 31.8.14 £
Unrestricted funds				
General fund	334,808	58,805	-	393,613
Restricted funds				
General Annual Grant (GAG)	1,118,825	908,276	(928,036)	1,099,065
Pension reserve	(1,102,000)	(1,380,000)	-	(2,482,000)
PFS Grant	726,382	-	(726,380)	2
Assets acquired with PFS Grant	6,723,023	-	726,380	7,449,403
Devolved formula capital grant	35,259	67,292	-	102,551
Other fixed assets on conversion/acquired	<u>16,532,335</u>	<u>1,562,605</u>	<u>928,036</u>	<u>19,022,976</u>
	<u>24,033,824</u>	<u>1,158,173</u>	<u>-</u>	<u>25,191,997</u>
TOTAL FUNDS	<u>24,368,632</u>	<u>1,216,978</u>	<u>-</u>	<u>25,585,610</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	100,955	(42,150)	-	58,805
Restricted funds				
General Annual Grant (GAG)	17,290,337	(16,382,061)	-	908,276
Other EFA restricted funds	1,311,054	(1,311,054)	-	-
Pension reserve	(525,000)	(38,000)	(817,000)	(1,380,000)
Devolved formula capital grant	81,192	(13,900)	-	67,292
Other fixed assets on conversion/acquired	<u>2,255,540</u>	<u>(692,935)</u>	<u>-</u>	<u>1,562,605</u>
	<u>20,413,123</u>	<u>(18,437,950)</u>	<u>(817,000)</u>	<u>1,158,173</u>
TOTAL FUNDS	<u>20,514,078</u>	<u>(18,480,100)</u>	<u>(817,000)</u>	<u>1,216,978</u>

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2014

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.

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 PFS 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 remain 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.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2014 were allocated as follows:

	2014 £	2013 £
Tollbar Academy	625,547	614,963
Cleethorpes Academy	562,138	612,385
Reynolds Academy	123,855	-
Central Services	<u>181,138</u>	<u>226,285</u>
Total before fixed asset fund and pension reserve	1,492,678	1,453,633
Restricted fixed asset fund	26,574,932	24,016,999
Pension reserve	<u>(2,482,000)</u>	<u>(1,102,000)</u>
Total	<u><u>25,585,610</u></u>	<u><u>24,368,632</u></u>

Tollbar Multi Academy Trust

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

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 £	Other direct costs £	Other costs £	Total £
Tollbar Academy	6,902,072	1,163,755	573,360	1,720,791	10,359,978
Cleethorpes Academy	2,950,564	482,195	267,238	906,888	4,606,885
Reynolds Academy	998,618	223,795	66,744	404,579	1,693,736
Central Costs	574,206	970,775	38,579	235,941	1,819,501
	<u>11,425,460</u>	<u>2,840,520</u>	<u>945,921</u>	<u>3,268,199</u>	<u>18,480,100</u>

SUMMARY OF FUNDS

	Brought forward £	Net Incoming/ (Outgoing Resources) £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
General funds	334,808	58,805	-	-	393,613
Restricted funds	16,825	345,276	(928,036)	(817,000)	(1,382,935)
Restricted fixed asset funds	24,016,999	1,629,897	928,036	-	26,574,932
	<u>24,368,632</u>	<u>2,033,978</u>	<u>-</u>	<u>(817,000)</u>	<u>25,585,610</u>

20. PENSION AND SIMILAR OBLIGATIONS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £nil (2013 £183,357) were payable to the schemes at 31 August 2014 and are included in creditors.

Teachers' pension scheme

Introduction

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

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

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

20. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

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 31 August 2014 was £675,000, of which employer's contributions totalled £537,000 and employees' contributions totalled £138,000. The agreed contribution rates for future years are 25.2 per cent for employers and 7.5 per cent for employees.

Guarantee

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

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions of year ended 31 August 2014	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13	1,009
1 year increase in member life expectancy	3	235
0.5% increase in the Salary Increase Rate	6	463
0.5% increase in the Pension Increase Rate	7	518

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(7,830,000)	(5,290,000)
Fair value of plan assets	<u>5,348,000</u>	<u>4,188,000</u>
	<u>(2,482,000)</u>	<u>(1,102,000)</u>
Deficit/Liability	<u>(2,482,000)</u>	<u>(1,102,000)</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £501,000.

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

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	565,000	422,000
Interest cost	284,000	193,000
Expected return	<u>(274,000)</u>	<u>(168,000)</u>
	<u>575,000</u>	<u>447,000</u>
Actual return on plan assets	<u>505,000</u>	<u>494,000</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 £605,000 loss (2013 £212,000 gain)

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Defined benefit obligation	(5,290,000)	-
Current service cost	(565,000)	(422,000)
Contributions by scheme participants	(138,000)	(111,000)
Interest cost	(284,000)	(193,000)
Transferred to the MAT	(556,000)	(4,450,000)
Actuarial losses/(gains)	(1,048,000)	(114,000)
Benefits paid	51,000	-
	<u>(7,830,000)</u>	<u>(5,290,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of scheme assets	4,188,000	-
Transferred to the MAT	31,000	3,166,000
Contributions by employer	537,000	417,000
Contributions by scheme participants	138,000	111,000
Expected return	274,000	168,000
Actuarial gains/(losses)	231,000	326,000
Benefits paid	(51,000)	-
	<u>5,348,000</u>	<u>4,188,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Equities	4,118,000	3,224,000
Bonds	536,000	419,000
Property	374,000	252,000
Cash	320,000	293,000
	<u>5,348,000</u>	<u>4,188,000</u>

Principal Actuarial Assumptions

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

	At 31 August 2014	At 31 August 2013
	%	%
Discount rate	3.70	4.60
Expected return on scheme assets	5.70	6.00
Future salary increases	4.00	5.10
Future pension increases	2.70	2.80

Breakdown of the expected return on assets by category:

Tollbar Multi Academy Trust

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

20. PENSION AND SIMILAR OBLIGATIONS - continued

	At 31 August 2014	At 31 August 2013
	%	%
Equities	6.40	6.70
Bonds	3.20	3.80
Property	4.50	4.70
Cash	3.30	3.60

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

	At 31 August 2014	At 31 August 2013
Current pensioners		
Males	21.9 years	22.9 years
Females	24.1 years	25.7 years
Future pensioners		
Males	24.2 years	24.9 years
Females	26.7 years	27.7 years

Amounts for the current and previous period are as follows:

	2014	2013
	£	£
Defined benefit pension plans		
Defined benefit obligation	(7,830,000)	(5,290,000)
Fair value of scheme assets	5,348,000	4,188,000
Deficit	(2,482,000)	(1,102,000)
Experience adjustments on scheme liabilities	(418,000)	(114,000)
Experience adjustments on scheme assets	231,000	326,000

21. CONTINGENT LIABILITIES

In the event of Tollbar Multi Academy Trust ceasing to operate, provisions are included in the master funding agreement relating to the clawback of assets and monies held by the multi academy trust.

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2014

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 transactions took place:

Mrs E Jefferson (trustee) received £2,339 (2013 £850) in relation to consultancy work she performed for the Trust during the period ending 31 August 2014. There were no amounts outstanding at 31 August 2014 or 31 August 2013. The trust made the purchases at arms' length.

The trust made purchases from Freedom and Autonomy for Schools - National Association, a company of which Mrs J Aukett (trustee) is a director, totalling £750 (2013 £750) during the year ended 31 August 2014. There were no amounts outstanding at 31 August 2-14 or 31 August 2013. The trust made the purchases at arm's length.

Trustees' Expenses

Mrs E Jefferson (trustee) received £168 (2013 £nil) from the Trust in relation to reimbursed travel expenses during the year ended 31 August 2014

Mrs J Aukett (trustee) received £461 (2013 £200) from the Trust in relation to reimbursed travel expenses during the year ended 31 August 2014.

23. ADDITIONS TO THE MULTI ACADEMY TRUST

Reynolds Academy

On 1 September 2013 Reynolds Primary School converted to academy trust status and joined the Tollbar Multi Academy Trust under the Academies Act 2010. All the operations, assets and liabilities were transferred to Tollbar Multi Academy Trust from the North East Lincolnshire Council local authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources the statement of financial activities as under voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Budget surplus on LA funds	6,861	-	-	6,861
Budget surplus on Devolved Capital funds	-	-	15,129	15,129
Leasehold land and buildings	-	-	1,621,000	1,621,000
LGPS pension deficit	-	(525,000)	-	(525,000)
Net assets/(liabilities)	<u>6,861</u>	<u>(525,000)</u>	<u>1,636,129</u>	<u>1,117,990</u>

The LGPS pension deficit relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school. The deficit in respect of employees who transferred on conversion represents their cumulative service at the predecessor school.

Cleethorpes Academy

Included within incoming resources under Transferred to the Multi Academy Trust is an additional £634,540 which relates to the land element of the leasehold land and buildings at Cleethorpes Academy. The land valuation, which was provided by the EFA on conversion, was not recognised in the accounting records in the previous financial period.

Tollbar Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2014

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

	Year ended 31.8.14 £	Period 28.5.12 to 31.8.13 £
Net incoming resources	2,033,978	24,156,632
Depreciation charges	703,355	665,295
Profit on disposal of fixed assets	(10,420)	(2,700)
Capital grants from DfE/EFA	(66,063)	(4,808,484)
Interest received	(10,441)	(6,897)
Interest paid	-	56
Rental income received	(18,693)	(19,918)
FRS 17 pension cost adjustments	38,000	30,000
Transferred to the Multi Academy Trust (see note 23)	(1,752,530)	(19,597,789)
Cash transferred to Multi Academy Trust from Reynolds	21,990	-
Decrease in debtors	68,797	193,208
(Decrease)/increase in creditors	<u>(143,363)</u>	<u>22,589</u>
Net cash inflow from operating activities	<u>864,610</u>	<u>631,992</u>

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

	Year ended 31.8.14 £	Period 28.5.12 to 31.8.13 £
Returns on investments and servicing of finance		
Interest received	10,441	6,897
Interest paid	-	(56)
Rental income received	<u>18,693</u>	<u>19,918</u>
Net cash inflow for returns on investments and servicing of finance	<u>29,134</u>	<u>26,759</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,674,749)	(6,145,605)
Capital grants from DfE/EFA	66,063	4,808,484
Sale of tangible fixed assets	<u>20,333</u>	<u>5,050</u>
Net cash outflow for capital expenditure and financial investment	<u>(1,588,353)</u>	<u>(1,332,071)</u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	2,351,070	(694,609)	1,656,461
Total	<u>2,351,070</u>	<u>(694,609)</u>	<u>1,656,461</u>