

Registration number: 08913502

# Education and Leadership Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015



**HALLIDAYS**  
MORE THAN JUST ACCOUNTANTS

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

# Education and Leadership Trust

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## Education and Leadership Trust

### Reference and Administrative Details

#### Members

Mr Michael Stuart Chidley  
Dr Christopher Charles Turner  
Ms Patricia Denise Kane

#### Trustees (Directors)

Mr Michael Stuart Chidley  
Dr Christopher Charles Turner  
Ms Patricia Denise Kane  
Mr Darren Andrew Micklewright (appointed 26 September 2014 and resigned 30 June 2015)  
Mr Justin Scott Eagleton (appointed 25 November 2014)  
Ms Emma Jane Antrobus (appointed 23 September 2014)  
Ms Pauline Susan Newman (appointed 23 September 2014)  
Mr Richard Paver (appointed 23 September 2014)  
Mr Andrew Sean Mullen (appointed 23 September 2014)  
Ms Iram Altaf Kiani (appointed 23 September 2014 and resigned 31 August 2015)

#### Senior Leadership Team

Ms Patricia Kane, Executive Headteacher  
Mrs Elizabeth Hole, Academy Headteacher  
Mrs Jane Barnes, Deputy Headteacher  
Ms Jaqueline Fahey, Deputy Headteacher  
Ms Emma Lashley, Deputy Headteacher  
Ms Deborah Collier, Business and Finance Manager  
Mrs Letitia Schenk, Assistant Headteacher  
Mrs Sofia Zarar, Assistant Headteacher  
Mrs Morresa Connolly, Assistant Headteacher  
Mrs Catherine Wragg, Assistant Headteacher  
Mrs Julie Lomax, Assistant Headteacher  
Mr Michael Lea, Assistant Headteacher  
Dr Johan MacKinnon, Headteacher  
Ms Donna Johnson, Deputy Headteacher  
Mr Neil Johnson, Deputy Headteacher  
Ms Sarah Gregory, Deputy Headteacher  
Ms Joanna Walker, Assistant Headteacher  
Mr Thomas Norton, Assistant Headteacher  
Mr Mark McNulty, School Business and Finance Manager

#### Principal and Registered Office

Whalley Range 11-18 High School  
Wilbraham Road  
Manchester  
M16 8GW

## Education and Leadership Trust

### Reference and Administrative Details (continued)

**Company Registration Number** 08913502

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

**Bankers** Lloyds Bank  
42-46 Market Street  
Deansgate  
Manchester  
Lancashire  
M1 1PW

## Education and Leadership Trust

### Trustees' Report for the Year Ended 31 August 2015

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

The trust operates two secondary academies for girls in Manchester. It has a pupil capacity of 2,650 and had a roll of 2,564 in the school census on 21 May 2015.

	Secondary	Number on roll
Whalley Range 11-18 High School	11-18	1,571
Levenshulme High School	11-16	993

### Structure, Governance and Management

#### Constitution

The 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 trust. The trustees of Education and Leadership Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Education and Leadership Trust Limited.

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 whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### Trustees' Indemnities

Professional Indemnity Insurance is in place to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring on trust business.

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

Trustees are recruited by invitation, dependent on their expertise, experience and skills. Trustees may be appointed as specified in the articles of association (56 to 71), and are appointed for a term of 4 years.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are interviewed and selected to ensure that a robust overview of governance is maintained throughout the trust. New trustees are provided with an induction which includes access to documentation in respect of all trust policies and procedures. In addition, appropriate training opportunities may be offered, depending on their current level of experience and expertise.

## Education and Leadership Trust

### Trustees' Report for the Year Ended 31 August 2015 (continued)

#### Organisational Structure

The trustees are responsible for authorising all policies and procedures, the determination of the annual funding allocations to each academy, compliance with DfE/EFA requirements in relation to financial management, accounting and reporting, oversight of the educational vision and strategic planning and development of the trust and its academies, including the approval of the academy development plans, and the appointment of the Executive Headteacher, Academy Headteachers and their Senior Leadership Teams. The trustees also approve the Annual Report and Financial Statements.

The trustees delegate responsibility for the operations and activities of each academy to the respective Local Governing Body (LGB). The LGBs are responsible for the implementation of all procedures with respect to compliance with statutory regulations, Funding Agreements and Trust policies and procedures, including admissions. The chair of each LGB is always a trustee on the main board.

The Executive Headteacher is the accounting officer. The day-to-day management of the trust academies is delegated to the Executive Headteacher and the Academy Headteachers and Senior Leadership Teams (SLT) of each academy. The SLT, as appropriate to each academy, consists of the Academy Headteacher, Deputy Headteachers, Assistant Headteachers and the Business & Finance Manager. The Business & Finance Manager of one academy is also the Chief Finance Officer.

The SLT in each academy is responsible for implementing the agreed policies and procedures set down by the LGB and the trust, including the implementation of all statutory regulations. The Academy Headteachers are responsible for appointing all staff (with the exception of the SLT), managing the delegated budgets and resources, ensuring the delivery of an appropriate curriculum, together with the development and implementation of measures to secure the highest possible standards of teaching and learning and student progress and achievement. The Academy Headteachers are also responsible for ensuring the development and implementation of measures to secure effective support for students together with the delivery of high standards of student behaviour, safety and well-being.

The trustees meet at least once per term, with one meeting in each academic year being the annual general meeting. Local Governing Bodies and LGB sub-committees meet on at least a termly basis. Reports from LGB sub-committees are received, scrutinised and ratified by all LGB members. Reports from the LGBs are also received, scrutinised and ratified by trustees. Trustees make regular visits to both academies, including attending LGB meetings and attending and supporting functions.

Roles and responsibilities of trustees, governors, the Executive Headteacher, Academy Headteachers and senior leaders are defined in the trust's Structure of Governance and Delegation, and the Financial Scheme of Delegation.

#### Related Parties and other Connected Charities and Organisations

The trust is part of a network, the Manchester Schools Alliance, which includes a number of other schools and academies in the Manchester area. This involves collaborative working across a range of disciplines to help to improve the educational outcomes for children in the Greater Manchester area.

The trust is working with the Alliance Business School (University of Manchester) through Business in the Community. The Alliance Business School provides mentors, speakers for certificate evenings, enterprise links, competitions for students, and EAL support for parents.

The trust is part of the Cooperative Schools Society, which operates across the UK, sharing good practice and accountability, together with promoting cooperative values.

Whalley Range 11-18 High School shares its site with Range Stadium, a sports facility owned by Manchester City Council. There is a lease agreement and a management agreement in place in respect of the use of Range Stadium, which is shared between the school, Powerleague and the Greater Manchester Basketball Club.

## **Education and Leadership Trust**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

Mr R Paver is the City Treasurer for Manchester City Council. The trust commissions the following services from the Local Authority (or LA-related organisations): Attendance Support (pupils), Disclosure and Barring Service (DBS) checking, Educational Psychologist, Human Resources Management Support, multiple insurances, Manchester Working (Alarm monitoring), Music Service, payroll, Pupil Referral Unit, security, waste disposal.

### **Objectives and Activities**

#### **Objects and Aims**

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

- To raise the standard of educational achievements of all pupils in the trust's academies
- To ensure that every pupil enjoys the same high quality education in terms of resourcing, teaching and learning
- To ensure that pupil behaviour is excellent; and to ensure exemplary standards of safeguarding
- To improve the effectiveness of the academies by keeping the curriculum and organisational structures under continual review
- To comply with all statutory and curriculum requirements
- To maintain close links with industry and commerce and to utilise those links for the benefit of the trust and pupils
- To provide value for money for the funds expended
- To conduct the trust and academy business in accordance with the highest standards of integrity, probity and openness.

#### **Objectives, Strategies and Activities**

The trust's main aim is to help to create young people who: learn throughout their lives; play a full part in life and work; are active citizens of Manchester, the UK and the world; lead fulfilling lives as valued members of society.

The trust seeks to develop and maintain a culture of excellence across our organisation that provides fantastic opportunities for the pupils and staff in our academies.

#### **Public Benefit**

The trust's purpose is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the Academies) offering a broad and balanced curriculum.

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

### **Strategic Report**

#### **Achievements and Performance**

The public examination results at GCSE and Advanced Level were pleasing overall, with significant improvements noted in GCSE results at Levenshulme and Advanced level results at Whalley Range.

Headline results are summarised in the table below:

## Education and Leadership Trust

### Trustees' Report for the Year Ended 31 August 2015 (continued)

Key Stage 4	WRHS	LHS	National
Percentage of pupils gaining 5+ A*-C grades including English and mathematics	51.4%	56.0%	52.8%
Pupils making 3 or more levels of progress in English	74.1%	71.5%	71.3%
Pupils making 3 or more levels of progress in Maths	69.4%	67.9%	67.7%
Value Added (best 8 capped subjects)	1031.6	1031.7	1000

#### Whalley Range 11-18 High School: Key Stage 5

	WRHS	National
A level: A* - E	97.2%	98.1%
A* - C	63.1%	77.3%
AS level: A - E	90.0%	89.4%
A - C	63.5%	62.6%
	This year	Last year
Vocational (Level 3):		
Pass rate (D* - P)	99.4%	99.1%
D* - M	91.1%	77.8%
D* - D	68.9%	43.0%
D*	44.3%	13.0%

Other notable achievements across the trust's academies during the year include:

- Improvement in pupil attendance at both academies to at and above national averages: Levenshulme 95.6%, Whalley Range 95.2% (national average: 94.9%)
- Significant redevelopment and refresh of the IT infrastructure (Levenshulme) and hardware (both academies). Firewalls have been strengthened and e-safe installed in both schools to ensure students are better protected as part of our Prevent strategy. Virtual Learning Environments in both schools have been significantly re-designed and students are accessing more and more learning out of hours.
- Both academies are now full at 11-16, which is an improvement for Levenshulme from last year.
- Student Leadership has grown in both schools with over a third of all students engaged in a leadership activity.
- Students from Levenshulme have been invited twice to Whitehall to discuss their anti-bullying work with Ministers.
- Both schools have achieved excellent results in external competitions for STEM work, debating, creative writing and enterprise skills.
- Websites in both schools show the wide range of educational activities, extra-curricular activities and achievements in both schools.
- Staff in the trust are Prevent Champions and our expertise has been recognised by the Regional Schools Commissioner, ASCL and the DfE.
- Our work on developing Assessment without Levels has been recognised by ASCL and other commercial conference organisations.



## **Education and Leadership Trust**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

- Academic tutorials have been introduced at Levenshulme and have been very successful in increasing parental attendance – nearly double for some year groups.

#### **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.

## Education and Leadership Trust

### Trustees' Report for the Year Ended 31 August 2015 (continued)

#### Financial Review

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

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

During the year ended 31st August 2015, total expenditure of £17.1 million was incurred excluding depreciation of £1.1 million, which was covered by the recurrent grant income from the EFA, together with other incoming resources which totalled £20 million. This included £2.67 million of non-recurrent school budget surplus which was transferred from the Local Authority upon the conversion to academy status. The excess of income over expenditure for the period was £2.8 million. Total funds carried forward amount to £2.8 million. This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income in the year ended 31st August 2015 (inclusive of non-recurrent school budget surplus which was transferred on the conversion) amounted to £3.06 million. There was no unrestricted expenditure.

At 31st August 2015 the net book value of fixed assets amounted to £51 million and movements in fixed assets are shown in note 14 of the financial statements. The cost of fixed asset additions in the year ended 31st August 2015 amounted to £0.4 million.

#### Reserves Policy

The trustees and governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trust's current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve) is £2.8 million. The amount is kept secure for a time when it is needed to self-finance a scheme or major capital projects.

The trustees have decided to adopt a prudent approach to reserves and aim to maintain a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the trust's business activities and quality of education at both the academies in the trust.

In addition, the net liability due to the trust's participation in the Local Government Pension Scheme (Greater Manchester Pension Fund - GMPF) amounts to £2.47 million. It should be noted, however, that an immediate liability for this amount is not crystallised at the financial year end. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013. This guarantee provides comfort to the trustees in the unlikely event of an academy closure.

Disclosure of funds in deficit is also included in Funds Note in financial statements (note 17 on page 37).

## **Education and Leadership Trust**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

#### **Investment Policy**

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

#### **Principal Risks and Uncertainties**

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

The main risks currently are:

- Loss of reputation due to: a significant safeguarding or other incident affecting students and/or staff, or; a drop in standards and academic performance
- Unexpected loss of key personnel
- Falling student numbers, leading to budget reduction, particularly in the Sixth Form
- Failure of IT systems; or failure to adequately protect data; or lack of accurate reliable management information

Key controls in place to mitigate these risks are:

- Robust safeguarding policies, procedures and training, including safer recruitment and regular DBS checks (which exceed the statutory minimum requirements)
- Employee policies which are readily accessible to all staff, and regularly reviewed
- Ongoing Continuing Professional Development (CPD) and succession planning
- Detailed annual school improvement plans, including curriculum offer review
- Robust self-evaluation and student progress assessment procedures
- Good governance with documented terms of reference for all Trust committees and sub-committees, and all Local Governing Body committees and sub-committees
- Organisation structures with clearly defined roles, responsibilities and authority levels
- Financial planning including budgeting and regular management reporting, highlighting any areas of financial risk
- Business continuity plans and procedures which are reviewed and updated regularly

#### **Plans for Future Periods**

##### **Achievement**

The Trust recognises that over the next four to five years we are in a period of increased volatility in terms of examination outcomes as the new requirements, content and skills are introduced and tested for the first time.

The Trust is committed to providing a broad, balanced and engaging curriculum for all its students. The Trust does not consider the EBacc subjects to be appropriate for all students and will offer expert advice and guidance to help students make the best choices for their future aspirations and career choices.

Our schools need to be matching or exceeding progress and attainment against girls nationally, rather than just comparing to national averages, which include mixed gender schools, as girls tend to outperform boys nationally. We need to match or exceed the outcomes for all ability bands.

## **Education and Leadership Trust**

### **Trustees' Report for the Year Ended 31 August 2015 (continued)**

Sixth Form outcomes need to match or exceed national pass rates and value added. At Whalley Range 11-18 High School we need to move results in all subjects up at least one ALPS band grade each year and be able to show improved progress and pass rates in all subjects. The economic viability of the Sixth Form will need to be scrutinised to ensure it is cost neutral and efficient in terms of costs versus achievement.

#### **Attendance**

Both schools need to continue to sustain at least national average (as a minimum) for attendance and to continue to achieve the benchmark for Persistent Absentees.

#### **Behaviour and Safeguarding**

We would expect to see low Fixed Term Exclusion rates in both schools due to high quality early intervention for both students and parents. Parents will continue to be offered support and guidance in how to support their child and keep them safe.

#### **Succession planning and management development**

Middle leaders with the potential to go further are being identified, as well as further training needs for current or new middle leaders. Staff from both schools have become Fellows on the Teaching Leaders' cohort, a trend that has continued for the last few years. Appropriate team members are being identified for an Aspiring to Headship course.

The Trust aims to be considered an employer of choice for staff by valuing commitment, creativity, diversity and flexibility; enabling outstanding performance; providing continuous professional development and promoting a high quality of work life.

#### **Financial Strategy**

- To review staffing structures and costs in both schools and to model, early in 2016, the costs of the proposed curriculum
- Further work will be done during 2015-16 to identify a realistic costing of running the Sixth Form.
- More focus on cross-trust tendering to ensure that the efficient use of resources is maximised through trust working.
- A large building project is planned at Levenshulme High School during the summer of 2016 to address the difficulties around the reception area for visitors to the school.
- The IT infrastructure has been strengthened in both schools and we will continue with significant investment in new equipment and infrastructure improvements.
- To maintain adequate financial reserves to fund building and other infrastructure investment needs

#### **Personal Development**

We want our students to be confident and emotionally resilient women who will be able to face up to life's challenges when they happen. In short, we want to create young people who:

- learn throughout their lives
- play a full part in life and work
- are active citizens of Manchester, the UK and the world
- lead fulfilling lives as valued members of society

They are our future and they are inspirational in their aspirations, ambitions and determination to be happy and successful.

## Education and Leadership Trust

### Trustees' Report for the Year Ended 31 August 2015 (continued)

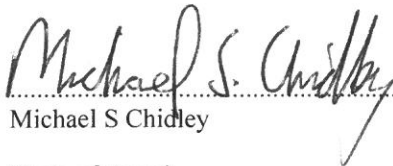
#### Auditor

Insofar as the trustees are aware:

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

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

The Trustees' report was approved by order of the board of trustees, as the company directors and signed on the board's behalf by:



.....  
Michael S Chidley

Chair of Board

Date: 15/12/15 .....

## Education and Leadership Trust

### Governance Statement

#### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher 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 Education and Leadership 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 Trustees' Report 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 was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Mr M S Chidley (chair)	6	7
Ms E J Antrobus (appointed 23 Sep 2014)	7	7
Mr J S Eagleton (staff) (appointed 25 Nov 2014)	3	5
Ms P D Kane (responsible officer)	6	7
Miss I A Kiani (appointed 23 Sep 2014, resigned 31 August 2015)	1	7
Mr D A Micklewright (appointed 23 Sep 2014, resigned 30 Jun 2015)	2	6
Mr A S Mullen (appointed 23 Sep 2014)	7	7
Ms P S Newman (appointed 23 Sep 2014)	6	7
Mr R Paver (appointed 23 Sep 2014)	5	7
Dr C C Turner	7	7

In addition to the Trust Board, there is a Trust Finance Sub-Committee, which meets 3 times per year and reviews all aspects of financial planning and monitoring, premises, Health & Safety and Human Resources. The business conducted by these committees is reported into the Trust Board. Ms D L Collier was in attendance at these meetings in her capacity as Chief Finance Officer for the trust.

In addition there is a Trust Audit Committee which meets twice per year. Its purpose is to assist the Trust Board in fulfilling its responsibilities with regard to the financial and risk management of the trust.

<i>Trustee</i>	<i>Finance Committee</i>		<i>Audit Committee</i>	
	<i>Meetings attended</i>	<i>Out of a possible</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Mr M S Chidley (chair)	3	3	1	2

## Education and Leadership Trust

### Governance Statement (continued)

Ms P D Kane (responsible officer)	3	3	2	2
Miss I A Kiani (appointed 23 Sep 2014, resigned 31 August 2015)	0	3	n/a	n/a
Mr A S Mullen (appointed 23 Sep 2014)	2	3	2	2
Mr R Paver (appointed 23 Sep 2014)	2	3	2	2
Dr C C Turner	2	3	2	2

Both schools have a Local Governing Body, which meets separately from the Trust Board, and has a number of separate sub-committees as follows:

<i>Committee</i>	<i>Meetings per annum</i>
Full Local Governing Body	5
LGB Finance and Resources	4
Curriculum and Standards	5
Student Well-being	3
LGB Pay Committee	1

The chair of each Local Governing Body is also a member of the Trust Board. The business conducted by the sub-committees is reported into the Full Local Governing Body; which, in turn, is reported into the Trust Board.

Levenshulme's Local Governing Body is now complete and has been strengthened by new parent governors, a new governor from the Alliance Manchester Business School and a local Councillor. The skill-set is strong and meeting records evidence the level of challenge and support which governors provide to the school.

There are a small number of vacancies in certain categories at Trust Board level but the skill-set of trustees and directors is very strong.

The Levenshulme Governing Body held a weekend seminar with the senior leaders of the school in January and members were asked for feedback about meetings and levels of participation and challenge.

Through the Manchester Business School link, the Chair of the Trust Board and Chair of Levenshulme met with the Professor for governance at the University. The Executive Headteacher attended a session on effective governance in the health service, where links were made to education.

Both governing bodies and the Trust Board attended a Saturday seminar with the two Headteachers and Executive Headteacher in May. This was to review progress and share the schools' self-evaluation forms and priorities for improvement in the coming year. This allowed governors the opportunity to question, reflect, challenge and agree the priorities for the coming year.

Safeguarding has been a particular focus and a structured programme of monitoring at Local Governing Body level, which is then monitored by the trust lead for Safeguarding and has proved very effective. Safeguarding, behaviour and personal development was judged to be Outstanding at Levenshulme in the School Improvement Partner report. It was judged to be Outstanding at Whalley Range in last year's School Improvement Partner report.

Governors have undertaken on-line training, and training as a group, on key issues around child protection, Prevent and on-line safety.

## **Education and Leadership Trust**

### **Governance Statement (continued)**

The outcomes for both schools show the impact of strong and effective governance. Governance is discussed and evaluated during the external School Improvement Partner visit to each school and will continue to be judged in this way next year.

#### **Review of Value for Money**

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

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

- Detailed review of teacher staffing requirements in the context of changing national curriculum and examination requirements
- Introduction of a comprehensive Competitive Tendering Policy
- Cross-trust supplier contracts to achieve economies of scale and cost reductions
- Use of highly-skilled staff in both schools

More focus on cross-trust tendering will take place in 2015/16 and beyond to ensure that the efficient use of resources is maximised through trust working.

#### **The Purpose of the System of Internal Control**

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

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;



## Education and Leadership Trust

### Governance Statement (continued)

- 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 Manchester City Council's Internal Audit and Risk Management team 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. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a six-monthly basis, the Internal Auditor reports to the board of trustees, through the Audit 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, and found minor control issues which are being addressed by strengthened controls. None of the issues identified present a significant risk to the trust's operations and financial management procedures.

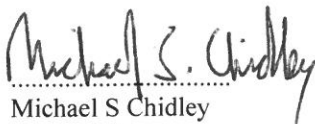
#### Review of Effectiveness


As accounting officer the Executive Headteacher 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 trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 15.12.15 and signed on its behalf by:

  
.....  
Michael S Chidley  
Chair of Board

  
.....  
Patsy Kane  
Accounting Officer

## Education and Leadership Trust

### Statement on Regularity, Propriety and Compliance

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

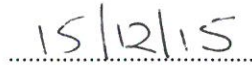
I confirm that I and the trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook.

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.



.....  
Patsy Kane

Accounting Officer



.....  
Date

## Education and Leadership Trust

### Statement of Trustees' Responsibilities

The trustees (who act as governors of Education and Leadership 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

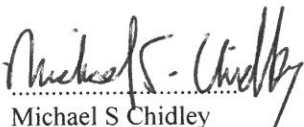
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 15/12/15 and signed on its behalf by:



Michael S Chidley

Chair of Board

## **Education and Leadership Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Education and Leadership Trust**

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

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 Annual 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 the financial statements**

In our opinion the financial statements:

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

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

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

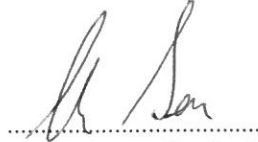
#### **Matters on which we are required to report by exception**

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:

## Education and Leadership Trust

### Independent Auditor's Report on the Financial Statements to the Members of Education and Leadership Trust (continued)

- 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.



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Hallidays, Statutory Auditor

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

Date: 15/12/15

## **Education and Leadership Trust**

### **Independent Reporting Accountant's Report on Regularity to Education and Leadership Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 20 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 15, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education and Leadership Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Trust Board's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Trust Board's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 15. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

## Education and Leadership Trust

### Independent Reporting Accountant's Report on Regularity to Education and Leadership Trust and the Education Funding Agency (continued)

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

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....

Hallidays, Chartered Accountants

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

Date:.....15/12/15.....

## Education and Leadership Trust

### Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	2,665,975	-	(2,166,000)	51,355,586	51,855,561
Other voluntary income	2	150	53,956	-	-	54,106
Activities for generating funds	3	384,542	-	-	-	384,542
Investment income	4	3,898	-	-	-	3,898
<i>Incoming resources from charitable activities:</i>						
Funding for the Trust's educational operations	5	-	16,804,712	-	21,474	16,826,186
<i>Other incoming resources</i>						
Other incoming resources	6	485	122,958	-	-	123,443
Total incoming resources		<u>3,055,050</u>	<u>16,981,626</u>	<u>(2,166,000)</u>	<u>51,377,060</u>	<u>69,247,736</u>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Trust's educational operations	8	-	16,737,725	267,000	1,137,670	18,142,395
Governance costs	9	-	79,640	-	-	79,640
Total resources expended	7	-	<u>16,817,365</u>	<u>267,000</u>	<u>1,137,670</u>	<u>18,222,035</u>
Net incoming/(outgoing) resources before transfers		3,055,050	164,261	(2,433,000)	50,239,390	51,025,701
Gross transfers between funds		<u>(226,440)</u>	<u>(163,261)</u>	<u>-</u>	<u>389,701</u>	<u>-</u>
Net income/(expenditure) for the year		2,828,610	1,000	(2,433,000)	50,629,091	51,025,701



## Education and Leadership Trust

### Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	27	-	-	(35,000)	-	(35,000)
Net movement in funds/(deficit)		<u>2,828,610</u>	<u>1,000</u>	<u>(2,468,000)</u>	<u>50,629,091</u>	<u>50,990,701</u>
<b>Reconciliation of funds</b>						
Funds/(deficit) carried forward at 31 August 2015		<u>2,828,610</u>	<u>1,000</u>	<u>(2,468,000)</u>	<u>50,629,091</u>	<u>50,990,701</u>

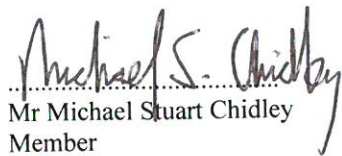
All of the Trust's activities derive from acquisitions in the current financial year.


A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**Education and Leadership Trust**  
**(Registration number: 08913502)**  
**Balance Sheet as at 31 August 2015**

	Note	2015 £
<b>Fixed assets</b>		
Tangible assets	14	50,629,091
<b>Current assets</b>		
Debtors	15	375,194
Cash at bank and in hand		<u>2,841,501</u>
		3,216,695
Creditors: Amounts falling due within one year	16	<u>(387,085)</u>
Net current assets		<u>2,829,610</u>
Total assets less current liabilities		<u>53,458,701</u>
Net assets excluding pension liability		53,458,701
Pension scheme liability	27	<u>(2,468,000)</u>
Net assets including pension liability		<u><u>50,990,701</u></u>
<b>Funds of the Trust:</b>		
<b>Restricted funds</b>		
Restricted general fund	17	1,000
Restricted fixed asset fund	17	50,629,091
Restricted pension fund	17	<u>(2,468,000)</u>
		48,162,091
<b>Unrestricted funds</b>		
Unrestricted general fund	17	<u>2,828,610</u>
Total funds		<u><u>50,990,701</u></u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 15.12.15 and signed on their behalf by:

  
 Mr Michael Stuart Chidley  
 Member

  
 Ms Patricia Denise Kane  
 Trustee

## Education and Leadership Trust

### Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £
Net cash inflow from operating activities	21	561,329
Cash transferred on conversion to trust		2,665,975
Returns on investments and servicing of finance	22	3,898
Capital expenditure and financial investment	23	<u>(389,701)</u>
Increase in cash in the year	24	<u>2,841,501</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year		2,841,501
Net funds at 1 September 2014		<u>-</u>
Net funds at 31 August 2015		<u>2,841,501</u>

All of the cash flows are derived from acquisitions in the current financial year.

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015

#### 1 Accounting policies

##### **Basis of preparation**

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

##### **Conversion to an academy trust**

The conversion from a state maintained schools to a multi-academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to a multi-academy trust 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 Education and Leadership Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Incoming resources**

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

##### **Grants receivable**

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

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

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

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 1 Accounting policies (continued)

##### *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.

##### *Donations*

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

##### *Other income*

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

##### *Donated 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.

##### **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.

##### *Cost of generating funds*

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

##### *Charitable activities*

These are costs incurred on the Trust's educational operations.

##### *Governance costs*

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

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land	nil
Buildings	2% straight line
Fixtures and Fittings	20% straight line
Computer Equipment	33.33% straight line
Motor vehicles	25% straight line

##### Leased assets

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

##### 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.

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 1 Accounting policies (continued)

##### Pension 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 the notes to the financial statements, 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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### Fund accounting

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

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

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

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted Pension Fund £	Restricted fixed asset funds £	Total 2015 £
Transfer on conversion	2,665,975	-	(2,166,000)	51,355,586	51,855,561
<b>Other voluntary income</b>					
Educational trips and visits	-	53,956	-	-	53,956
Other donations	150	-	-	-	150
	<u>150</u>	<u>53,956</u>	<u>-</u>	<u>-</u>	<u>54,106</u>
Total voluntary income	<u>2,666,125</u>	<u>53,956</u>	<u>(2,166,000)</u>	<u>51,355,586</u>	<u>51,909,667</u>

#### 3 Activities for generating funds

	Unrestricted funds £	Total 2015 £
Hire of facilities	52,134	52,134
Catering income	286,811	286,811
Other sales	4,376	4,376
Energy box membership income	41,221	41,221
	<u>384,542</u>	<u>384,542</u>

#### 4 Investment income

	Unrestricted funds £	Total 2015 £
Bank interest	3,898	3,898
	<u>3,898</u>	<u>3,898</u>



## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 5 Funding for Trust's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
<b>DfE/EFA capital grants</b>			
Capital grants	-	21,474	21,474
<b>DfE/EFA revenue grants</b>			
General annual grant (GAG)	15,208,985	-	15,208,985
Start-up grants	80,000	-	80,000
Other DfE/EFA grants	1,310,054	-	1,310,054
	<u>16,599,039</u>	-	<u>16,599,039</u>
<b>Other government grants</b>			
Local authority grants	205,673	-	205,673
Total grants	<u>16,804,712</u>	<u>21,474</u>	<u>16,826,186</u>

#### 6 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2015 £
Insurance income	-	41,189	41,189
Other income	485	41,928	42,413
Exam fee income	-	25,761	25,761
Teacher training	-	14,080	14,080
	<u>485</u>	<u>122,958</u>	<u>123,443</u>

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 7 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £
<b>Trust's educational operations</b>				
Direct costs	10,674,316	939,509	1,767,180	13,381,005
Allocated support costs	<u>2,381,148</u>	<u>1,417,525</u>	<u>962,717</u>	<u>4,761,390</u>
	13,055,464	2,357,034	2,729,897	18,142,395
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>79,640</u>	<u>79,640</u>
	<u><u>13,055,464</u></u>	<u><u>2,357,034</u></u>	<u><u>2,809,537</u></u>	<u><u>18,222,035</u></u>
<b>Net incoming/outgoing resources for the year include:</b>				<b>2015</b>
				<b>£</b>
<b>Operating leases:</b>				
Operating leases - other leases				7,379
Fees payable to auditor - audit				5,770
- other audit services				<u><u>3,300</u></u>

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 8 Charitable activities

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
<b>Direct costs</b>			
Teaching and educational support staff costs	10,674,316	-	10,674,316
Depreciation	-	939,509	939,509
Educational supplies	1,452,567	-	1,452,567
Staff development	74,077	-	74,077
Other direct costs	240,536	-	240,536
	<u>12,441,496</u>	<u>939,509</u>	<u>13,381,005</u>
<b>Allocated support costs</b>			
Support staff costs	2,126,148	-	2,126,148
FRS 17 service cost adjustment	255,000	-	255,000
Depreciation	-	198,161	198,161
Maintenance of premises and equipment	349,231	-	349,231
Cleaning	304,445	-	304,445
Rent, rates and utilities	431,795	-	431,795
Insurance	133,893	-	133,893
Recruitment and support	63,639	-	63,639
Security and transport	93,098	-	93,098
Catering	330,076	-	330,076
Bank interest and charges	364	-	364
Interest on defined benefit pension scheme	12,000	-	12,000
Professional fees	63,894	-	63,894
Other support costs	399,646	-	399,646
	<u>4,563,229</u>	<u>198,161</u>	<u>4,761,390</u>
	<u><u>17,004,725</u></u>	<u><u>1,137,670</u></u>	<u><u>18,142,395</u></u>

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 9 Governance costs

	<b>Total 2015 £</b>
Legal and professional fees	70,570
<b>Auditors' remuneration</b>	
Audit of financial statements	5,770
Other audit services	3,300
	79,640
	79,640

#### 10 Staff

##### Staff costs

	<b>2015 £</b>
<b>Staff costs during the year were:</b>	
Wages and salaries	9,811,944
Social security costs	769,420
Pension costs	1,587,918
Supply costs - teaching and support staff	800,213
Compensation payments	85,969
	13,055,464
	13,055,464

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £85,969. Individually, the payments were: £11,556, £3,705, £13,996, £5,000, £26,981, £19,700, £2,531 and £2,500

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

	<b>2015 No</b>
<b>Charitable Activities</b>	
Teachers	158
Administration and support	141
Management	17
	316
	316

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 10 Staff (continued)

##### Higher paid staff

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

	2015 No
£60,001 - £70,000	6
£70,001 - £80,000	1
£80,001 - £90,000	2
£90,001 - £100,000	1
£130,001 - £140,000	1

10 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £106,316. 1 of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £11,514.

#### 11 Central services

Central services were provided by the trust to its academies during the period but not charged for.

#### 12 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Ms Patricia Denise Kane (Executive Headteacher):

Remuneration: £130,000 - £135,000

Employer's pension contributions: £15,000 - £20,000

Mr Justin Scott Eagleton (Media and Reprographics Manager):

Remuneration: £25,000 - £30,000

Employer's pension contributions: £5,000 - £10,000

Other related party transactions involving the trustees are set out in note 28.

#### 13 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 Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was included within the total insurance cost.

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, plant and equipment £	Computer equipment £	Total £
<b>Cost</b>					
Transfers	26,997,165	22,588,421	1,086,000	684,000	51,355,586
Additions	-	-	121,207	289,968	411,175
At 31 August 2015	<u>26,997,165</u>	<u>22,588,421</u>	<u>1,207,207</u>	<u>973,968</u>	<u>51,766,761</u>
<b>Depreciation</b>					
Charge for the year	<u>234,623</u>	<u>398,645</u>	<u>230,711</u>	<u>273,691</u>	<u>1,137,670</u>
At 31 August 2015	<u>234,623</u>	<u>398,645</u>	<u>230,711</u>	<u>273,691</u>	<u>1,137,670</u>
<b>Net book value</b>					
At 31 August 2015	<u><u>26,762,542</u></u>	<u><u>22,189,776</u></u>	<u><u>976,496</u></u>	<u><u>700,277</u></u>	<u><u>50,629,091</u></u>

The transfer value on conversion to a multi-academy trust of land and buildings was provided by Manchester City Council. The basis of valuation was the "depreciated replacement cost" method of valuation.

The legal title to the Leasehold Land and Buildings with a net book value of £22,189,776 had not yet been registered with the Land Registry at the time of signing the accounts. Inclusion of this land within the financial statements of the Trust reflects the substance of the transaction that has been undertaken.

#### 15 Debtors

	2015 £
Trade debtors	14,294
Prepayments	69,680
Accrued income	224,910
VAT recoverable	66,310
	<u>375,194</u>

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 16 Creditors: amounts falling due within one year

	<b>2015</b> <b>£</b>
Trade creditors	110,274
Other creditors	15,536
Accruals	217,328
Deferred income	43,947
	<u>387,085</u>
	<b>2015</b>
	<b>£</b>
<b>Deferred income</b>	
Resources deferred in the period	<u>43,947</u>

At the balance sheet date the trust was holding funds received in respect of Devolved Formula Capital and School Games Organiser funding to March 2016.

#### 17 Funds

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2015 £</b>
<b>Restricted general funds</b>				
General Annual Grant (GAG)	15,208,985	(15,044,724)	(163,261)	1,000
Start up grant	80,000	(80,000)	-	-
Other DfE/EFA grants	1,310,054	(1,310,054)	-	-
Other income	382,587	(382,587)	-	-
	<u>16,981,626</u>	<u>(16,817,365)</u>	<u>(163,261)</u>	<u>1,000</u>
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	21,474	-	-	21,474
Capital expenditure from GAG	-	-	389,701	389,701
Transfer on conversion	51,355,586	(1,137,670)	-	50,217,916
	<u>51,377,060</u>	<u>(1,137,670)</u>	<u>389,701</u>	<u>50,629,091</u>
<b>Restricted pension funds</b>				
Pension reserve	(2,166,000)	(267,000)	(35,000)	(2,468,000)
Total restricted funds	<u>66,192,686</u>	<u>(18,222,035)</u>	<u>191,440</u>	<u>48,162,091</u>
<b>Unrestricted funds</b>				
Unrestricted general funds	3,055,050	-	(226,440)	2,828,610
	<u>3,055,050</u>	<u>-</u>	<u>(226,440)</u>	<u>2,828,610</u>

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 17 Funds (continued)

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Total funds	<u>69,247,736</u>	<u>(18,222,035)</u>	<u>(35,000)</u>	<u>50,990,701</u>

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

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 to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

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 2015

#### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Levenshulme High School	830,915
Whalley Range 11-18 High School	<u>1,998,695</u>
Total before fixed assets and pension reserve	2,829,610
Restricted fixed asset fund	50,629,091
Pension reserve	<u>(2,468,000)</u>
Total	<u>50,990,701</u>

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Levenshulme High School	4,196,396	1,163,975	551,262	871,428	6,783,061
Whalley Range 11-18 High School	<u>6,477,920</u>	<u>962,173</u>	<u>901,305</u>	<u>1,959,906</u>	<u>10,301,304</u>
Trust	<u>10,674,316</u>	<u>2,126,148</u>	<u>1,452,567</u>	<u>2,831,334</u>	<u>17,084,365</u>



## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	50,640,115	50,640,115
Current assets	2,828,681	388,014	-	3,216,695
Current liabilities	-	(387,084)	-	(387,084)
Pension scheme liability	-	(2,468,000)	-	(2,468,000)
<b>Total net assets</b>	<b>2,828,681</b>	<b>(2,467,070)</b>	<b>50,640,115</b>	<b>51,001,726</b>

#### 19 Capital commitments

	2015 £
Contracted for, but not provided in the financial statements	165,756

#### 20 Financial commitments

##### *Operating leases*

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

##### **Operating leases which expire:**

	2015 £
<b>Other</b>	
Within one year	5,252
Within two to five years	4,915
	10,167

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 21 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £
Net income	51,025,701
Depreciation	1,137,670
Cash transferred on conversion to a multi-academy trust	(2,665,975)
Donated capital and capital grants	(21,474)
Donations - Assets transferred on conversion less pension liability	(49,189,586)
Interest receivable	(3,898)
FRS 17 interest on defined benefit pension scheme	12,000
FRS17 service cost adjustment	255,000
Increase in debtors	(375,194)
Increase in creditors	387,085
	561,329
Net cash inflow from operating activities	561,329

#### 22 Returns on investments and servicing of finance

	2015 £
Interest received	3,898
Net cash inflow from returns on investments and servicing of finance	3,898

#### 23 Capital expenditure and financial investment

	2015 £
Purchase of tangible fixed assets	(411,175)
Capital grants from DfE	21,474
Net cash outflow from capital expenditure and financial investment	(389,701)

#### 24 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	-	2,841,501	2,841,501
	-	2,841,501	2,841,501

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 25 Contingent liabilities

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

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

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

#### 26 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.

#### 27 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, Greater Manchester Pension Fund (GMPF) which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £1,549,249.

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

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

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £588,000, of which employer's contributions totalled £437,000 and employees' contributions totalled £151,000. The agreed contribution rates for future years are 14.6 per cent for employers and banded from 5.5 to 12.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the trust, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor schools and the trust at the balance sheet date.

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.

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

##### Principal actuarial assumptions of the LGPS

	<b>At 31 August 2015</b>
Rate of increase in salaries	%
Rate of increase for pensions in payment/inflation	3.90
Discount rate for scheme liabilities	2.70
	3.80

##### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

<b>Adjustment to discount rate</b>	<b>+ 1.5%</b>
Present value of total obligation	£ 889,000
	+ 0.5%
<b>Adjustment to rate of salary growth</b>	<b>£</b>
Present value of total obligation	463,000
	+ 1 Year
<b>Adjustment to mortality age rating assumption</b>	<b>£</b>
Present value of total obligation	201,000

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

	<b>At 31 August 2015</b>
<b>Retiring today</b>	
Males retiring today	
Females retiring today	21.40
	24.00
<b>Retiring in 20 years</b>	
Males retiring in 20 years	
Females retiring in 20 years	24.00
	26.60

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

The trust's share of the assets and liabilities in the LGPS were:

	At 31 August 2015 £
Equities	3,040,000
Government bonds	760,000
Property	253,000
Cash	169,000
	4,222,000
Total market value of assets	4,222,000
Surplus in the scheme	4,222,000

The expected rates of return were:

	At 31 August 2015 %
Equities	3.80
Government bonds	3.80
Property	3.80
Cash	3.80

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £87,000.

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

##### LGPS Amounts recognised in the statement of financial activities

	<b>2015</b> £
Current service cost	692,000
Total operating charge	692,000

##### Analysis of pension finance income/(costs)

	<b>2015</b> £
Expected return on pension scheme assets	214,000
Interest on pension liabilities	(226,000)
Pension finance costs	(12,000)

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 £35,000 loss.

##### Movements in the present value of defined benefit obligation of the LGPS

	<b>2015</b> £
At 1 September	5,713,000
Current service cost	692,000
Interest cost	226,000
Employee contributions	151,000
Actuarial gains	(92,000)
At 31 August	6,690,000

##### Movements in the fair value of trust's share of scheme assets

	<b>2015</b> £
At 1 September	3,547,000
Expected return on assets	214,000
Actuarial losses	(127,000)
Employer contributions	437,000
Employee contributions	151,000
At 31 August	4,222,000

The estimated value of employer contributions for next period is £465,000.

##### History of experience adjustments

Amounts for the current period are as follows:

## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 27 Pension and similar obligations (continued)

	2015 £
Present value of scheme liabilities	(6,690,000)
Fair value of scheme assets	<u>4,222,000</u>
Deficit in the scheme	<u>(2,468,000)</u>

Comparative figures have not been restated as permitted by FRS 17.

#### 28 Related party transactions

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, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may 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.

During the year the Trust made the following related party transactions:

##### **Manchester City Council**

(A local authority in which Richard Paver, a trustee, is the City Treasurer.)

Transactions totalling £574,534 relating to educational and professional services took place in the year ended 31 August 2015. At the balance sheet date the amount due to Manchester City Council was £1,016.

##### **One Education**

(A company in which Richard Paver, a trustee, is a director.)

Transactions totalling £143,768.46 relating to professional services took place in the year ended 31 August 2015. At the balance sheet date the amount due to One Education was £114.

#### 29 Conversion to a multi-academy trust

On 1 September 2014 Whalley Range 11-18 High School and Levenshulme High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Education and Leadership Trust from the Manchester City 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 in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.



## Education and Leadership Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

#### 29 Conversion to a multi-academy trust (continued)

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold land and buildings	-	-	26,997,165	26,997,165
Leasehold land and buildings	-	-	22,588,421	22,588,421
Budget surplus on LA funds	2,665,975	-	-	2,665,975
LGPS pension deficit	-	(2,166,000)	-	(2,166,000)
Net assets/(liabilities)	<u>2,665,975</u>	<u>(2,166,000)</u>	<u>49,585,586</u>	<u>50,085,561</u>

The above net assets include £2,665,975 that were transferred as cash.

