

**Maltby Learning Trust**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

for the year ended  
31 August 2014

Company Registration No. 07033915

# Maltby Learning Trust

## REFERENCE AND ADMINISTRATION DETAILS

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Members	J. Kenny CBE DL R. Belcher M. Beck P. Martin D. Horrigan A. Rushforth D. Sutton A. Pickles (left 31 <sup>st</sup> January 2014)
Directors	J. Kenny CBE DL (Chair of Board) P. Martin (Vice Chair) M. Beck A. Phillips S. Shepherd D. Horrigan A. Rushforth R. Belcher D. Sutton (CEO/Executive Principal) A. Pickles (left 31 <sup>st</sup> January 2014) J. Jarvis (left 31 <sup>st</sup> January 2014) C. Simmonds (left 31 <sup>st</sup> January 2014) R. McRobbie (left 31 <sup>st</sup> January 2014) K. Thompson (left 31 <sup>st</sup> January 2014) J. Fletcher ((left 31 <sup>st</sup> January 2014) R. McNabb (left 31 <sup>st</sup> January 2014) J. Fieldhouse (left 31 <sup>st</sup> January 2014) S. Clarkson (left 31 <sup>st</sup> January 2014)
Clerk to MLT Board	N. Bailey
Senior Leadership Team	
CEO/Executive Principal	D. Sutton
Associate Principal (MA)	R. Nash
Executive Principal (Primary)	D. Horrigan
Associate Principal (MRA)	R. Pease
Chief Financial Officer	G. Hayward
Principal and Registered Office	Braithwell Road Maltby Rotherham South Yorkshire S66 8AB
Company Registration Number	7033915 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds LS1 4HG
Bankers	Natwest PO Box 120 420 High Street Sheffield S1 2GE
Solicitors	Irwin Mitchell LLP Riverside East Sheffield S3 8DT

# Maltby Learning Trust

## DIRECTORS' REPORT

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The Directors have pleasure in presenting their report together with the financial statements and auditor's report of the company for the financial year 1 September 2013 to 31 August 2014.

### **Structure, Governance and Management**

#### ***Constitution***

The Trust is a company limited by guarantee and an exempt charity. The Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Directors act as the Trustees for the charitable activities of Maltby Learning Trust and are also the Directors of the Company for the purposes of company law. The Company is known as Maltby Learning Trust.

Maltby Academy Trust converted into a Multi-Academy Trust in February 2014 and moved from being a 'Sponsored Academy Trust' to a 'Multi-Academy Trust with the potential to sponsor other Academies'. As part of the conversion process the Trust changed its name to 'Maltby Learning Trust'. At this point, the Trust included Maltby Academy (1,150 – secondary school) and Maltby Redwood Academy (127 – primary school). Maltby Redwood Academy joined the Trust as a 'good' school bringing additional expertise and capacity. Details of the directors who served on the newly formed Learning Trust throughout the year except as noted are included in the Reference and Administration details on page 1.

#### ***Members Liability***

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

#### ***Directors' Indemnities***

The Learning Trust have put in place with Zurich Municipal 'Governors' Liability Insurance of £2m to cover against:

- The investigation, defence, adjustment, settlement or appeal of any claim or criminal prosecution against any Director/Governor, or
- For the representation of any Director/Governor at any official examination, enquiry, investigation or other proceedings ordered or commissioned at the behest of a legally empowered official body to investigate the activities of the Director/Governor.

#### ***Principal Activities***

The principal activities of the Company are to establish and maintain a number of academies in accordance with the requirements of the Master Funding Agreement in place with the Education Funding Agency ("EFA").

#### ***Method of Recruitment and Appointment or Election of directors***

The Multi-Academy Trust was formed in February 2014 and as a result, the constitution of the Trust Board changed as outlined in the Articles of Association. The specific categories for the nine directors who serve on the Board are as follows:

- The Chief Executive Officer
- The Primary Executive Principal
- One Director who represents the LA/Community

# Maltby Learning Trust

## DIRECTORS' REPORT

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- Three Directors who represent Maltby Academy
- Three Directors who represent Maltby Redwood Academy

Every time the Trust seeks to appoint new directors, the Trust undertakes a skills audit to align specialist expertise and knowledge to the existing body and future Trust priorities. This was the case this year and the newly appointed directors brought an expertise from Corporate Business, including Business Management and Financial Control and Public Services.

### ***Policies and Procedures Adopted for the Induction and Training of Directors***

The training and induction provided for new directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new directors will meet with the Chief Executive Officer/Chair of the Board prior to their first formal meeting. In addition, new directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. All Directors/Governors undertake a skills audit annually to determine training requirements at an individual, local Governing Body and Trust level. Induction tends to be done informally and is tailored specifically to the individual. New directors are often 'buddied' with a more experienced director to provide support and advice as appropriate.

The Trust has committed to developing a calendar of training opportunities for Directors/Governors based on their particular needs and the changing educational landscape.

During the period in which we are reporting, specific learning/training activities included:

- Multi Academy Trusts – Implications for Governing Bodies
- Revised Ofsted Framework
- Using Academy Data to Effectively Monitor and Evaluate Schools' Performance

### ***Organisational Structure***

The Governance/Leadership and Management structure consists of four levels, the Board of Directors, the Local Governing Bodies, the Executive Leadership Team and the respective Academy Senior Leadership Teams. The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for shaping general policy, setting an annual budget plan aligned to the agreed Trust priorities, monitoring the Trust by use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior leadership appointments.

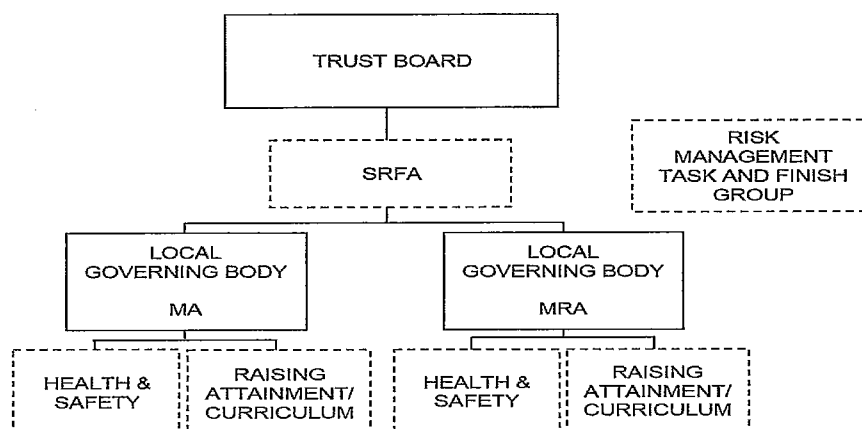
The Local Governing Bodies act as advisory bodies to the Maltby Learning Trust (MLT) Board. Certain responsibilities are devolved to this body as agreed.

The Executive Leadership Team comprises the Chief Executive Officer, Primary Executive Principal, Associate Principal (Maltby Academy), Associate Principal (Maltby Redwood Academy) and Chief Financial Officer.

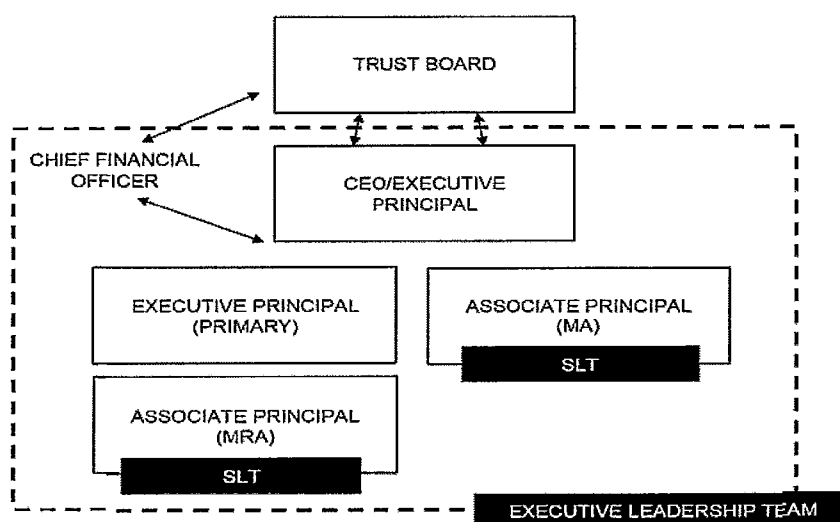
The Chief Executive Officer is the Accounting Officer.

The following diagrams capture the Governance and Leadership and Management arrangements across the Maltby Learning Trust.

## Governance Structure



## Leadership & Management



### Connected Organisations, including Related Party Relationships

The Trust works closely with the feeder primary and special schools in the area. This collaborative arrangement is informal at this point but still allows the schools to share staffing and resources, offer joint professional development opportunities and benefit from some economies of scale.

U-Explore and RMBC moved from lead and co-sponsors of Maltby Academy to key business partners in February 2014.

In addition, Sheffield Hallam University is a key professional learning partner for the Trust providing successful Initial Teacher Training (ITT), and Assessment Only (AO) opportunities for new entrants to the teaching profession. The institutions also work closely together to deliver some exciting cross-curricular learning programmes for students in the Trust. The University shares its specialism as a centre of teacher

# Maltby Learning Trust

## DIRECTORS' REPORT

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training excellence and contributes to the Trust's strategy to enable all staff to develop and keep up to date with excellent pedagogical practice.

### *Objectives and Activities*

The principal object and activity of the Company is to develop education for the public benefit within and beyond the Maltby Learning Community. This will be achieved by establishing, maintaining and developing its academies, offering a broad and balanced curriculum, whilst placing a strong emphasis on preparing young people for their next stage of learning or employment. In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

### *Maltby Learning Trust Strategic Intent*

*The Trust is committed to 'Maximising achievement and making a difference for all children'.*

The ongoing strategic objectives include:

- Building a strong network of academies which are considered centres of excellence for teaching and learning
- Attracting, retaining and developing quality people
- Ensuring that all academies keep progress and learning at the top of their agenda; establishing 'outstanding' schools for the local community
- Accelerating pupil progress to exceed the national average; in doing so, ensuring a shared accountability for the outcomes of all children across the Trust
- Building and maintaining quality relationships within the Trust and with external agencies
- Ensuring good value for money.

### *Maltby Academy*

*Strategic Intent – To develop outstanding learners by securing outstanding teaching in an outstanding Learning Community*

### **STRATEGIC PRIORITIES:**

1. To increase the proportion of outstanding teaching (+40%) and secure 100% consistently good or better teaching across all key stages and all subjects
2. To ensure all learners make at least good and sustained progress in all subjects and across all key stages (no underperforming cohorts)
3. To raise achievement in the Sixth Form and reduce variation between subjects (Sig+ Value Added)
4. To improve the attendance of all groups to at least 95%
5. To establish a student culture of confidence, resilience and independence

### *Achievement*

1. To secure a rapid and sustained improvement in performance at KS5
2. To accelerate progress, raise and sustain all achievement measures at least (10%) above average in all subjects (increase CPS and KS2-4 Value Added )
3. To close the achievement gap and accelerate the progress of key cohorts (KS3-5):
  - High Attaining students on entry (L5+ KS2, A\*-A/G&T)
  - Pupil Premium, SA+, High/Mid ability Boys/Low ability girls
  - Learners on Intervention Pathways
  - PA students
4. To increase the proportion of KS3 students making good or better progress in Eng/Maths
5. To secure a rapid and sustained improvement in Science; raising achievement to exceed NA.

# Maltby Learning Trust

## DIRECTORS' REPORT

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### *Quality of Teaching and Learning*

- To enhance the use of assessment for and of learning for all
- To promote high quality dialogue for learning
- To provide highly positive experiences to promote the Spiritual, Social, Moral & Cultural (SMSC) development of students
- To enhance crucial skills for learning and establish a culture in which learners demonstrate confidence, resilience and independence

### *Leadership*

- To enhance the personalised professional learning culture and improve performance through research and development groups, peer coaching and mentoring support
- To secure a curriculum offer which is fit for purpose, reflects the national agenda, secures an effective assessment model and provides young people with positive progression routes for all
- To strengthen collaborative partnerships which enhance provision and facilitate the raising attainment agenda
- To secure the effective leadership of provision and outcomes in all subject areas within the Sixth Form

### *Behaviour and Safety*

- To increase attendance and punctuality of all groups to at least 95%
- To extend student and parental engagement in the broader Academy provision
- To 6ummariz new learning environments and new technologies to raise aspiration and facilitate continual improvement in student outcomes

Maltby Academy secured further sponsorship from the Football Foundation £338,295 to put in place a full size synthetic pitch to supplement the new sports facilities developed through the Capital building programme.

### *Maltby Redwood Academy*

Maltby Redwood Academy aims to provide quality education for all its pupils, delivering a broad and balanced curriculum for the development of the whole child in a safe, supportive and happy environment. The School aims to provide high standards of teaching and learning to ensure that every child is an achiever.

The School's vision is to best prepare pupils to become 21<sup>st</sup> century learners and adults. It aims to foster good social skills, respect for those who are different and a sense of the importance of both individuality and teamwork. The School believes it is important for staff working with pupils to also be lifelong learners. All stakeholders have high standards for both 6ummariz and ethics and aim to widen pupils' horizons beyond their immediate surroundings. All at Maltby Redwood are proud of the children and young people and consider them to be caring, polite and courteous

### *Progress & Attainment*

- Improve maths attainment across the School
- Development of and embedding structured approaches to writing
- Develop FS provision to secure improved outcomes for all children
- Develop assessment systems at FS to ensure accurate assessments can be made
- Develop teaching of higher level skills in order to stretch the more able children
- Ensure that vulnerable groups make progress in line with expectations

# Maltby Learning Trust

## DIRECTORS' REPORT

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### *Teaching & Learning*

- To ensure gender gap between girls/boys attainment in maths and writing closes
- To ensure that teaching profile across the school continues to improve
- To ensure that marking and feedback is consistently used to develop pupil's understanding
- For parental engagement with the TL process for the most vulnerable learners to improve

### *Curriculum/Community*

- To ensure that a proper balance between subjects is delivered across the curriculum
- To ensure the School is ready for implementation of the new curriculum
- To develop ICT resources to ensure new computing strand can be delivered effectively
- To enrich the curriculum through:
  - provision of expert visitors/ themed weeks/ family learning
  - Links with Maltby Academy and specialist staff
- To ensure curriculum has a strong multi-cultural theme
- To ensure that children are aware of different forms of bullying and how to stay safe
- To ensure children develop ambitions and aspirations

### *Leadership & Management*

- To ensure that the School is prepared for the implementation of new NC
- To further develop the leadership of SEN through the academy links
- To further develop the provision for vulnerable groups of young people
- To develop co-ordinator teams to ensure effective monitoring of subject areas

### *Public Benefit*

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality education to its students. This has been evidenced through the results achieved and feedback from external assessments.

### *Maltby Academy*

Maltby Academy was inspected under section 5 of the Education Act 2005 on 30-31 May 2012. OFSTED judged Maltby to be a 'good' and 'rapidly improving' Academy. 'Outstanding' leadership was considered to have brought about the rapid rise in achievement, the improved 7ummariz and higher attendance. The Academy was deemed to have outstanding capacity for further improvement. The Academy was awarded National Support School status in September 2012 and proceeded to build capacity through the development of System Leaders. In February 2014 the Academy was subject to an OFSTED Subject Survey in Mathematics and the judgement was that the Academy was 'Outstanding' in all categories.



# Maltby Learning Trust

## DIRECTORS' REPORT

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### *Maltby Redwood Academy*

Maltby Redwood Academy joined the Maltby Learning Trust (MAT) in February 2014. This formal relationship was formed with Maltby Academy in order to further expand the curriculum offer, increase the resource base and improve the overall quality of provision. In December 2011 the school moved out of a 'special measures' category and was judged 'good' with strong capacity for further improvement. Good leadership and governance ensured that much needed improvements to the quality of teaching and the curriculum were successfully made, resulting in a rapid rise in pupils' attainment at all key stages and consistently good progress across the school. The addition of Maltby Redwood Academy to the Trust provided specialist expertise in the primary phase of education and made further leadership capacity available to support work beyond the Trust.

### **Strategic Report**

#### *Key Performance Indicators*

The Maltby Learning Trust use a range of National data sources to set aspirational targets for all children. The approach adopted ensures that all young people are provided with the appropriate stretch and challenge through their individual targets and that all schools in the trust achieve or exceed National performance in most attainment and progress measures.

In addition the Trust use National benchmarking data for similar size schools against budget forecasting information across the Trust. When forecasting and subsequently setting the budget, the Trust considers the allocation of resources across key budget heads taking account of workforce census and other comparative data.

# Maltby Learning Trust

## DIRECTORS' REPORT

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### Achievements and Performance

#### *Maltby Academy*

In 2014 Maltby Academy achieved or exceeded National averages in most of the key thresholds. A summary of the results is included below.

#### Maltby Academy Achievements and Performance

##### *Key Stage 4 Results Summary*

		2014 Actual	2014 National	2013 Actual
	5A*-C Inc E/M	63	53	71
	5A*-G Inc E/M	96	89	98
	5A*-G	97	89	98
	1A*-G	99	98	100

Eng		2014 Actual	2014 National	2013 Actual
	A*-A	21	17	19
	A*-C	83	72	81
	APS	42.4		41.9
	3+ LP	90	74	89
	4+ LP	48		42

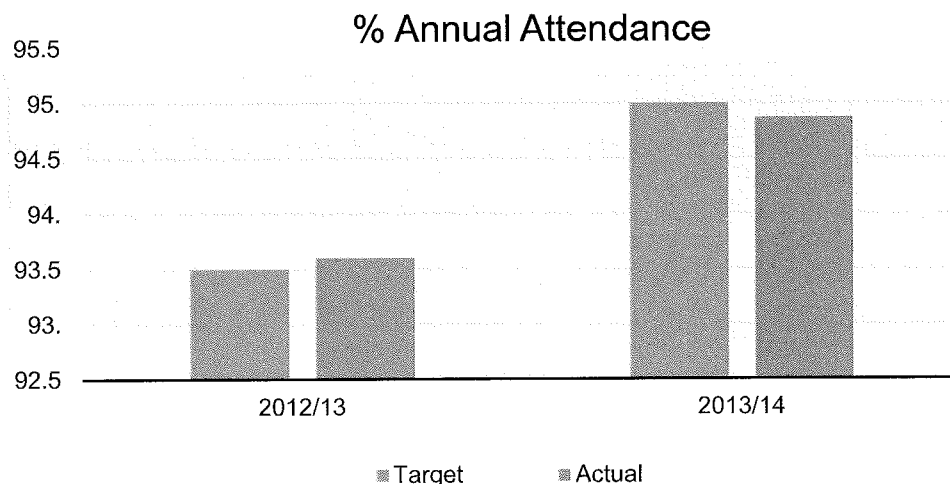
Ma		2014 Actual	2014 National	2013 Actual
	A*-A	20	18	18
	A*-C	75	69	79
	APS	39.9		41.0
	3+ LP	71	69	82
	4+ LP	32		37

	2014 A2 Actual	2013 A2 Actual
A*-A	13.1	22.5
A*-B	37.6	39.5
A*-C	75.5	73.5
A*-E	99.6	100

# Maltby Learning Trust

## DIRECTORS' REPORT

### Student Attendance



### Staffing Breakdown (Secondary)

*Compared with 2012/13 Workforce Census Data*

	Maltby Academy		National Academies	Secondary	% Good or Better Teaching (MA)
Mainscale	55.7%		20.2%		84%
Upper Pay Range (Including Leading Practitioners)	40.8%		58.4%		91%
Teaching and Learning Responsibilities	No TLR	55.9%	60.1%		
	TLR1	4.8%	6%		
	TLR2	28.6%	15.5%		
	TLR3	10.7%	18.3%		
Other	3.5%		1.4%		
Recruitment and Retention	0%		4.3%		

# Maltby Learning Trust

## DIRECTORS' REPORT

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### Staffing Profile

To ensure that standards are continually raised, the Academy operates a programme of QA/SE, including observation of lessons, work sampling and student interviews. The most recent staffing profile is summarized below.

	2013/14	2012/13
% Lessons judged good or better	89%	82%

### Achievements and Performance

#### Maltby Redwood Academy

##### Attainment at L4+

Year	Reading	Writing	Maths	Combined
2013	100%	82%	100%	82%
2014	96%	85%	96%	85%

##### Attainment at L5+

Year	Reading	Writing	Maths	Combined
2013	29%	24%	41%	18%
2014	48%	26%	44%	22%

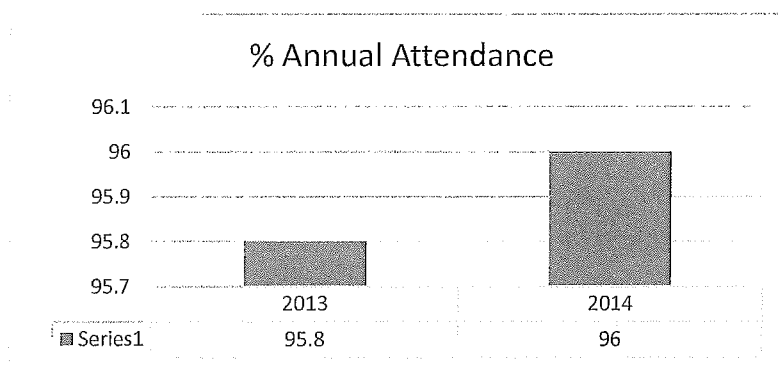
##### Progress 2 levels +

Year	Reading	Writing	Maths
2013	94%	94%	100%
2014	96%	96%	100%

##### Progress 3 levels +

Year	Reading	Writing	Maths
2013	35%	41%	71%
2014	15%	35%	31%

### Students' Attendance



# Maltby Learning Trust

## DIRECTORS' REPORT

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### Staffing Profile

Percentage of teaching as of October 2014

Good with RI	Good	Secure outstanding w/ RI	Inadequate
14%	58%	28%	0%

### Going Concern

After making appropriate enquiries, the directors have 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 Accounting Policies.

### Financial Review

The majority of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to the objectives of the organisation. The grants received from the EFA are shown in the Statement of Financial Activities for the year ending 31<sup>st</sup> August 2014. Additional income sources included LA receipts for the high needs block, early year's provision and the transfer of assets amounting to £11,056,000 following conversion of Maltby Redwood Academy. The total incoming resources for the period amounted to £19,010,000.

During the financial period, the total resources expended amounted to £8,290,000 covered by the recurrent grant funding from the EFA. The net movement for the financial year before transfers has resulted in a surplus of £10,720,000.

The Trust has total funds carried forward at the 31<sup>st</sup> August 2014 of £14,098,000; this being made up of: £546,000 Unrestricted Funds; £355,000 Restricted General Funds; £12,697,000 Restricted Fixed Asset Funds and £500,000 Academy Endowment Funds.

The Trust has considered its current financial position and has earmarked some of its surplus in support of the Academies, securing their outcomes and providing capacity to support the transfer of three additional schools to the Trust. Surpluses will also be used to match funding in support of a 3G Football Turf Pitch, in Partnership with Community Groups and the Football Foundation.

### Reserves Policy

The directors review the reserve levels of the Trust annually. This review considers the nature of income and expenditure streams, the need to match income commitments and the nature of reserves.

The directors have determined that the appropriate level of free reserves should be at least the equivalent to four weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide for unexpected emergencies.

### Investment Policy

The Trust's Investment Strategy was agreed by the Board; additional discussions have followed during the year to review investment opportunities.

In essence the strategy is to:

1. Regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of up to £300,000 is likely to be maintained.

# Maltby Learning Trust

## DIRECTORS' REPORT

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2. The Trust will seek to avoid its current account going overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to the Trust Deposit Account bearing a higher interest rate or other risk free investments available at the time.
4. Periodically review interest rates and compare with other investment opportunities.
5. The Trust's current policy is to only invest funds in risk free and accessible deposit accounts. E.g. 95 day Notice Accounts.

The Trust may consider investing in other deposit accounts such a Stepped Fixed Rate Deposit, providing the accounts can be accessed at any time and are risk free.

### *Plans for Future Periods*

The Maltby Learning Trust will continue to strive to improve levels of performance for all children by recruiting and retaining a talented workforce across all its Academies and providing Personalised Professional Learning and Development (PPLD) for all teaching and support staff in the Trust.

As a potential sponsor of academies with plans for further growth over the next academic year, capacity building in advance of need is key. The Trust will continue to review potential capacity across the Academies and engage with new partners as appropriate to supplement the experience and expertise.

As the Learning Trust continues to grow, the opportunity to share specialist resources and staffing will increase resulting in potential economies of scale. The Trust Board are committed to working within a 3/5 year budget forecast considering projected student numbers, staffing profile and the changing National funding framework.

### *Funds held as Custodian Trustee on behalf of others*

The Trust does not hold any funds on behalf of other organisations.

### *Auditor*


Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

### *Statement as to disclosure of information to auditors*

In so far as the Directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The Directors 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.

Approved by order of the Directors of the Trust on 11 December 2014 and signed on its behalf by:



**J. Kenny CBE DL**  
Chair of Board

# Maltby Learning Trust

## GOVERNANCE STATEMENT

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### *Scope of Responsibility*

As Directors, we acknowledge we have overall responsibility for ensuring the Maltby Learning 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 has delegated the day-to-day responsibility to the Executive Principal, 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 Maltby Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### *Governance*

The information on governance included here supplements that described in the Directors' Report and in the Directors' Responsibilities Statement. The Board has formally met six times during the year. Attendance during the year at meetings of the Board was as follows:

### *Board Membership*

Director	Meetings Attended	Out of a possible
J. Kenny	6	6
P. Martin	4	4
M. Beck	5	6
A. Phillips	2	4
R. Belcher	6	6
S. Shepherd	3	4
A. Rushforth	3	6
D. Horrigan	4	4
D. Sutton	6	6
A. Pickles	2	2
S. Clarkson	1	2
K. Thompson	1	2
J. Fletcher	2	2
R. McNabb	1	2
J. Jarvis	2	2
C. Simmonds	2	2
R. McRobbie	2	2

# Maltby Learning Trust

## GOVERNANCE STATEMENT

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The Staffing, Resources, Finance and Audit Committee reports directly to the Board. Its purpose is to meet on six occasions during the financial period to monitor and evaluate the Trust's budget, staffing establishment and general resources expenditure. The committee is also established to receive internal and external audit information prior to this being discussed at the Board meetings.

Specific responsibilities of the committee include:

### ***Staffing***

To consider all staffing and personnel issues, working with the Executive Principal and other leaders to determine the staffing structure to meet the respective Academy's needs. To review the appointment of new staff, including Director/Governor representation on appointment panels and review all policies regarding staffing.

### ***Resources***

To support the respective local governing bodies in ensuring that the procurement of goods and services in support of its buildings, ICT, other equipment and educational resources meets the requirements set out in the financial handbook.

### ***Finance***

To consider the respective Academy's indicative funding, receive initial draft budgets and review management accounts on a monthly basis. Consider service level agreements with third party suppliers and make recommendations on behalf of the Board/Local Governing Body about on-going arrangements.

### ***Audit***

To consider the external and internal audit reports and report to the full Governing Body key actions required to make improvement.

### **SRFA Membership**

Governor	Meetings Attended	Out of a possible
J. Kenny	3	6
C. Simmonds	5	6
J. Jarvis	5	6
J. Fletcher	6	6
R. Belcher	2	3
D. Sutton	6	6
S. Hosier	2	3
A. Phillips	1	3

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



# Maltby Learning Trust

## GOVERNANCE STATEMENT

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them efficiently, effectively and economically. The system of internal control has been in place in the Maltby Learning Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

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

The Board of the Maltby Learning Trust has reviewed the key risks to which they are exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements.

### ***Risk Management***

The Trust has procedures and systems in place for the review of risks, they put in place a 'Task and Finish' Group to review the individual Academy Risk Registers and consolidated Trust Risk Register. This arrangement put in place a separation of duties from the remit of the SRFA Committee, prior to the establishment of a separate Audit Committee following the transfer of additional schools into the Trust during 2014-15.

Risks are reviewed at Leadership and committee level before being considered by the Trust. The Trust considered a number of risks and mitigation to reduce the Trust to exposure. Significant risks to the Trust include:

- Loss of key personnel from within the individual organisations;
- Financial risk associated with changes in government funding and fall in demographics;
- Recruitment of students into post-16 education to ensure the breadth of the curriculum offer;
- Funding levels for Maltby Redwood Academy, due to the pension deficit and small number on roll at transfer;
- Lack of funding available to meet the Academy's vision for the development of Block B2 (former Grammar School building)

### ***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:

- the appointment of an Accounting Officer;
- the appointment of a Chief Financial Officer;
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board ;
- regular reviews by the Staffing, Resource, Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

# Maltby Learning Trust

## GOVERNANCE STATEMENT

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### ***Financial and Risk Management Objective and Policies***

The Trust has considerable reliance on continued government funding through the Education Funding Agency (EFA). In the financial period 2013/14, the majority of the Trust's revenue funding was public funded and is expected to continue in this way. There is no assurance that the current levels of funding will be maintained at the same levels. This risk is mitigated in a number of ways:

- Ensuring that the Trust continues to provide a high quality education;
- Consideration of Government consultation and likely impact of any changes to funding formula;
- Continual review of student numbers, considering future demographics;
- Effective budget forecasting, with Directors putting in place 5-year plans;
- Review of comparative information, using the EFA Abbreviated Accounts Return (AAR) benchmarking data to support the decision making process.

The Trust's key financial objectives are to:

- Achieve a slight annual operating surplus;
- Pursue alternative sources of funding;
- To generate sufficient levels of income to support the Trust's principal objectives;
- To fund continued capital investment opportunities

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

The Trust has undertaken further work during the year to develop and embed systems of control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. To support this process the Board has put in place a 3 year internal audit plan and commissioned the services of Baker Tilly Risk Advisory Services LLP to undertake a review of practices and procedures. During the financial period, Baker Tilly RAS undertook a review of the following priorities identified by the Board:

1. Follow up to previous Internal Audit recommendations
2. Data protection and security of assets
3. Strategic financial planning and budget setting

Directors and Governors undertake periodic review of the risks to which the Trust and its Academies are exposed. They identify systems and procedures, including specific preventable actions to mitigate any potential impact on the Trust. A risk register is maintained by each Academy and is currently reviewed by Committees and the Trust.

In the financial period, Maltby Academy continued to work with RMBC, Capital Project Manager, and appointed contractor, BAM Construction Ltd., to review risks associated with the capital building programme.

### ***Review of Effectiveness***

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

- the work of the 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.

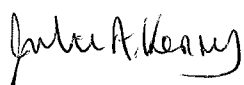
# Maltby Learning Trust


## GOVERNANCE STATEMENT

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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Staffing, Resource, Audit and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors of the Board on 11 December 2014 and signed on its behalf by:

  
**J. Kenny CBE DL**  
Chair of MLT Board

  
**D.L. Sutton**  
Accounting Officer

# Maltby Learning Trust

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Maltby Learning Trust I have considered my responsibility to notify the Trust Board 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Trust Board 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 Academy 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.



**D. L. Sutton**  
**Accounting Officer**

**11 December 2014**

# Maltby Learning Trust

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The Directors (who act as trustees for charitable activities of Maltby Learning Trust and are also the directors of the company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

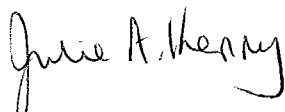
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the 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 11 December 2014 and signed on its behalf by:



**J. Kenny CBE DL**  
**Chair of MLT Board**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALTBY LEARNING TRUST**

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We have audited the financial statements of Maltby Learning Trust for the year ended 31 August 2014 on pages 22 to 48. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the governors (who act as trustees for the charitable activities of the charitable company, and 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

### **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Governors' Report and the incorporated Strategic 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:

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



ALAN DUNWELL (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

2 Whitehall Quay

Leeds

LS1 4HG

Date: 17.12.14

# Maltby Learning Trust

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2014

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
<b>INCOMING RESOURCES</b>							
Incoming resources from generated funds:							
Voluntary income	1	124	-	25	-	149	233
Voluntary income – transfer from local authority on conversion	1	-	-	1,256	-	1,256	-
Voluntary income – transfer from local authority in the year	1	-	-	9,800	-	9,800	-
Activities for generating funds	2	5	-	-	-	5	32
Investment income	3	11	-	-	-	11	37
Incoming resources from charitable activities:							
Academy Trust's educational operations	4	142	7,647	-	-	7,789	7,624
<b>Total incoming resources</b>		<b>282</b>	<b>7,647</b>	<b>11,081</b>	<b>-</b>	<b>19,010</b>	<b>7,926</b>
<b>RESOURCES EXPENDED</b>							
Charitable activities:							
Academy Trust's educational operations	6	(77)	(7,680)	(201)	-	(7,958)	(7,626)
Governance costs	7	-	(46)	-	-	(46)	(22)
Deficit transferred from local authority on conversion		(22)	(264)	-	-	(286)	-
<b>Total resources expended</b>	<b>5</b>	<b>(99)</b>	<b>(7,990)</b>	<b>(201)</b>	<b>-</b>	<b>(8,290)</b>	<b>(7,648)</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>183</b>	<b>(343)</b>	<b>10,880</b>	<b>-</b>	<b>10,720</b>	<b>278</b>
<b>TRANSFERS</b>							
Gross transfers between funds	18	-	(667)	667	-	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>183</b>	<b>(1,010)</b>	<b>11,547</b>	<b>-</b>	<b>10,720</b>	<b>278</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>							
Actuarial gains on defined benefit pension scheme	29	-	98	-	-	98	247
<b>NET MOVEMENT IN FUNDS</b>		<b>183</b>	<b>(912)</b>	<b>11,547</b>	<b>-</b>	<b>10,818</b>	<b>525</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		363	1,267	1,150	500	3,280	2,755
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>18</b>	<b>546</b>	<b>355</b>	<b>12,697</b>	<b>500</b>	<b>14,098</b>	<b>3,280</b>

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

# Maltby Learning Trust

## BALANCE SHEET

31 August 2014

Company Registration No.07033915

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	12		12,697		1,150
CURRENT ASSETS					
Stock	13	4		4	
Debtors	14	255		224	
Investments	15	807		1,454	
Cash at bank and in hand		875		995	
		1,941		2,677	
CREDITORS: Amounts falling due within one year	16	(312)		(540)	
NET CURRENT ASSETS			1,629		2,137
TOTAL ASSETS LESS CURRENT LIABILITIES			14,326		3,287
CREDITORS: Amounts falling due after one year	17		(16)		-
NET ASSETS EXCLUDING PENSION LIABILITY			14,310		3,287
Pension scheme liability	29		(212)		(7)
NET ASSETS INCLUDING PENSION LIABILITY			14,098		3,280



# Maltby Learning Trust

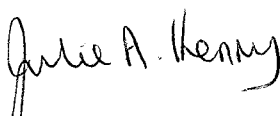
## BALANCE SHEET (continued)

31 August 2014

Company Registration No.07033915

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FUNDS OF THE ACADEMY TRUST:					
Endowment funds			500		500
RESTRICTED FUNDS					
Fixed asset fund	18	12,697		1,150	
General fund	18	567		1,274	
RESTRICTED FUNDS EXCLUDING PENSION RESERVE					
			13,264		2,424
Pension reserve	18		(212)		(7)
TOTAL RESTRICTED FUNDS					
			13,052		2,417
TOTAL UNRESTRICTED INCOME FUNDS					
	18		546		363
TOTAL FUNDS					
			14,098		3,280

The financial statements on pages 22 to 48 were approved by the trustees and authorised for issue on 11 December 2014 and are signed on their behalf by:



**J. Kenny CBE DL**  
Chair

**Maltby Learning Trust**  
**CASH FLOW STATEMENT**  
**for the year ended 31 August 2014**

	Notes	2014 £'000	2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	22	(111)	790
Returns on investments and servicing of finance	23	11	37
Capital expenditure	24	(667)	(823)
Management of liquid resources	25	645	(254)
		<u>          </u>	<u>          </u>
DECREASE IN CASH IN THE YEAR	26	(122)	(250)
		<u>          </u>	<u>          </u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Net funds at 1 September		995	1,245
Decrease in cash in the year		(122)	(250)
		<u>          </u>	<u>          </u>
NET FUNDS AT 31 AUGUST		873	995
		<u>          </u>	<u>          </u>

Funds shown above include those which are accessible within 24 hours and without charges or penalties being incurred. Separate to the above, the Trust held balances at 31 August 2014 in notice accounts which are shown as investments in the balance sheet.

# Maltby Learning Trust

## ACCOUNTING POLICIES

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### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going Concern**

The Governors assess whether the use of going concern is appropriate and 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **Incoming resources**

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

### **Grants receivable**

Grant income is 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.

Gifts in kind provided to the Academy are recognised in the Statement of Financial Activities at their value, as determined by the Governors, in the period in which they are receivable, and where the benefit is both quantifiable and material.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

### **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

### **Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

### **Other income**

Interest receivable is included in the Statement of Financial Activities on a receivable basis.

# Maltby Learning Trust

## ACCOUNTING POLICIES

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### **Resources expended and the basis of apportioning costs**

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

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

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

All resources expended are inclusive of irrecoverable VAT.

### **Fund accounting**

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department of Education.

Restricted Fixed Assets funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education and other funders, where the asset acquired or created is held for a specific purpose on a continuing basis.

### **Tangible fixed assets**

Tangible fixed assets costing £2,500 or more are capitalised at cost 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. Where the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy by transfer from the restricted fixed asset fund to restricted funds in the Statement of Financial Activities to offset the depreciation of the asset.

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

Leasehold land and buildings	2%
Fixtures, fittings and equipment	10%
ICT equipment	25%

From 1 September 2013, the useful economic life for ICT equipment has been reviewed and changed from 3 years to 4 years. This is to better reflect the likely replacement rate of ICT equipment in the schools from every 3 years to every 4 years.

# Maltby Learning Trust

## ACCOUNTING POLICIES

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

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

### **Leased assets**

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

### **Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 29, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### **Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**1 VOLUNTARY INCOME**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2014 Total £'000	2013 Total £'000
DfE/EFA capital grant for building	-	-	25	25	10
Donations – capital	-	-	-	-	-
Other donations	124	-	-	124	223
Transfer from local authority on conversion	-	-	1,256	1,256	-
Transfer from local authority in the year	-	-	9,800	9,800	-
	<u>124</u>	<u>-</u>	<u>11,081</u>	<u>11,205</u>	<u>233</u>

**2 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2014 Total £'000	2013 Total £'000
Uniforms	1	-	-	1	6
Other	3	-	-	3	4
Lettings	1	-	-	1	-
MTL funding	-	-	-	-	22
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>32</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
Bank interest received	11	-	-	11	37
	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>37</u>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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4 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
<b>DfE/EFA REVENUE GRANTS</b>				
General annual grant (GAG)	-	7,193	7,193	7,110
Start-up grants	-	-	-	91
Other DfE/EFA grants	-	406	406	315
	<hr/>	<hr/>	<hr/>	<hr/>
	-	7,599	7,599	7,516
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER GOVERNMENT GRANTS</b>				
Local Authority grants	-	48	48	7
Receipts from supply teacher insurance	6	-	6	-
Trip income	89	-	89	50
Catering income	1	-	1	-
Sundry income	46	-	46	51
	<hr/>	<hr/>	<hr/>	<hr/>
	142	48	190	108
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	142	7,647	7,789	7,624

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**5 RESOURCES EXPENDED**

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Academy Trust's educational operations					
Direct costs	5,352	156	889	6,397	6,211
Allocated support costs	626	47	888	1,561	1,415
	<u>5,978</u>	<u>203</u>	<u>1,777</u>	<u>7,958</u>	<u>7,626</u>
Governance costs including allocated support costs	-	-	46	46	22
Deficits transferred from local authority on conversion	-	-	286	286	-
	<u>5,978</u>	<u>203</u>	<u>2,109</u>	<u>8,290</u>	<u>7,648</u>
Net outgoing resources for the year				2014 £'000	2013 £'000
Operating leases - plant and machinery				24	22
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit				10	10
- internal audit				5	5
- other services				2	2
				<u>21</u>	<u>24</u>



**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	2014 £'000	2013 £'000
<b>DIRECT COSTS</b>		
Teaching and educational support staff costs	5,352	4,889
Depreciation	100	132
Technology costs	146	-
Educational supplies	403	517
Examination fees	114	130
Other staff costs	32	142
Educational consultancy	5	-
Occupancy costs	139	351
Other direct costs	106	50
	<hr/>	<hr/>
	6,397	6,211
	<hr/>	<hr/>
<b>ALLOCATED SUPPORT COSTS</b>		
Support staff costs	626	538
Depreciation	101	132
Recruitment and support	39	-
Maintenance of premises and equipment	75	60
Occupancy costs	-	227
Cleaning	184	-
Rent and rates	7	-
Energy costs	23	-
Insurance	47	-
Security and transport	38	-
Catering	65	-
Bank interest and charges	40	1
FRS17 adjustments	-	53
Other supplies and services	-	388
Other support costs	316	16
	<hr/>	<hr/>
	1,561	1,415
	<hr/>	<hr/>
	7,958	7,626
	<hr/>	<hr/>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**7 GOVERNANCE COSTS**

	2014 £'000	2013 £'000
Auditors' remuneration		
Audit of financial statements	10	10
Other services	7	7
Support costs	29	5
Trustees' reimbursed expenses	-	-
	<hr/>	<hr/>
	46	22
	<hr/>	<hr/>

**8 STAFF NUMBERS AND COSTS**

**Staff costs**

	2014 £'000	2013 £'000
Staff costs during the period were:		
Wages and salaries	4,901	4,413
Social security costs	296	300
Pension costs	632	574
	<hr/>	<hr/>
	5,829	5,287
Supply staff costs	146	126
Staff restructuring costs	3	19
	<hr/>	<hr/>
	5,978	5,432
	<hr/>	<hr/>

**Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,660 (2013 - £19,000). One of the non-statutory/non-contractual payments exceeded £5,000 individually, the total of this payment was for £7,160.

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**8 STAFF NUMBERS AND COSTS** *(continued)*

**Staff numbers**

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

	2014	2013
	No	No
Educational operations		
Teachers	85	83
Administration and support	92	70
Management	8	7
	<hr/>	<hr/>
	185	160
	<hr/>	<hr/>

**Higher paid staff**

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

	2014	2013
	No	No
£60,001 - £70,000	3	4
£70,001 - £80,000	2	1
£100,001 - £110,000	1	1
	<hr/>	<hr/>

Five of the above employees participated in the Teachers' Pension Scheme. The remainder of the employees participated in the Local Government Pension Scheme. Both pension schemes are defined benefit schemes.

# Maltby Learning Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

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### 9 CENTRAL SERVICES

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Other as arising

All the costs for central services are charged at a flat rate of 5% as a recharge for these services.

The actual amount recharged during the year were as follows:

	2014 £'000
Maltby Academy	266
Maltby Redwood Academy	14
	<hr/>
	280
	<hr/> <hr/>

### 10 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees. The value of staff governors remuneration is as follows:

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| • D Sutton (principal and governor) | £101,029 (2013: £100,028)       |
| • R McNabb (staff governor)         | £40k - £45k (2013: £35k - £40k) |
| • J Fieldhouse (staff governor)     | £15k - £20k                     |

Related party transactions involving the trustees are set out in note 30.

No expenses were paid to governors in the year.

### 11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,015 (2013 - £1,015).

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

Maltby Learning Trust  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014

12 TANGIBLE FIXED ASSETS

	<i>Leasehold Land and Buildings</i>	<i>Furniture and Equipment</i>	<i>Computer Equipment</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost:				
1 September 2013	748	227	687	1,662
Additions	335	190	167	692
Transfer on conversion	1,256	-	-	1,256
Transfer in year	9,800	-	-	9,800
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	12,139	417	854	13,410
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 September 2013	23	37	452	512
Charged in the year	34	42	125	201
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	57	79	577	713
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
31 August 2014	12,082	338	277	12,697
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2013	725	190	235	1,150
	<hr/>	<hr/>	<hr/>	<hr/>

13	STOCK	2014 £'000	2013 £'000
	Clothing	4	4
		<hr/>	<hr/>
		4	4
		<hr/>	<hr/>

14	DEBTORS	2014 £'000	2013 £'000
	Trade debtors	25	2
	Prepayments	72	139
	Accrued income	77	50
	VAT recoverable	81	33
		<hr/>	<hr/>
		255	224
		<hr/>	<hr/>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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15	INVESTMENTS	2014 £'000	2013 £'000
	Long term deposits	807	1,454
		<u>807</u>	<u>1,454</u>

16	CREDITORS: Amounts falling due within one year	2014 £'000	2013 £'000
	Trade creditors	11	-
	Other taxation and social security	107	176
	Other creditors	88	-
	Deficit loan on conversion	6	
	Accruals and deferred income	100	364
		<u>312</u>	<u>540</u>

Deferred income	£'000
Deferred income at 1 September 2013	14
Resources deferred in the year	27
Amounts released from previous years	(14)
	<u>27</u>
Deferred income at 31 August 2014	

Deferred income related to money received in advance of the forthcoming year. The money relates to funding for the Academy Trust's educational operations and assets.

17	CREDITORS: Amounts falling due after one year	2014 £'000	2013 £'000
	Deficit loan on conversion	16	-
		<u>16</u>	<u>-</u>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

18	FUNDS	<i>At 1 September 2013 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>At 31 August 2014 £'000</i>
	RESTRICTED					
	GENERAL FUNDS					
	General Annual Grant					
	(GAG) (i)	691	7,193	(7,218)	(120)	546
	Start Up Grant (ii)	547	-	-	(547)	-
	Other DfE/EFA grants	-	406	(406)	-	-
	MTL Funding	30	-	(9)	-	21
	Other government grants	6	48	(54)	-	-
		<u>1,274</u>	<u>7,647</u>	<u>(7,687)</u>	<u>(667)</u>	<u>567</u>
	PENSION RESERVE	(7)	-	(303)	98	(212)
	RESTRICTED FIXED					
	ASSET FUNDS (iii)					
	DfE/EFA capital grants	127	25	(20)	-	132
	Transfer from Local Authority on conversion	-	1,256	(15)	-	1,241
	Transfer from Local Authority in year	-	9,800	-	-	9,800
	Harnessing technology	4	-	(1)	-	3
	Hilltop Special School	20	-	(3)	-	17
	Capital expenditure from GAG	675	-	(109)	120	686
	Capital expenditure from Start UP	324	-	(53)	547	818
		<u>1,150</u>	<u>11,081</u>	<u>(201)</u>	<u>667</u>	<u>12,697</u>
	Endowment funds (iv)	500	-	-	-	500
	TOTAL RESTRICTED FUNDS	<u>2,917</u>	<u>18,728</u>	<u>(8,191)</u>	<u>98</u>	<u>13,552</u>
	UNRESTRICTED FUNDS					
	Unrestricted funds	363	282	(77)	-	568
	Transfer from Local Authority on conversion	-	-	(22)	-	(22)
	TOTAL UNRESTRICTED FUNDS	<u>363</u>	<u>282</u>	<u>(99)</u>	<u>-</u>	<u>546</u>
	TOTAL FUNDS	<u>3,280</u>	<u>19,010</u>	<u>(8,290)</u>	<u>98</u>	<u>14,098</u>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

18 FUNDS (*continued*)

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

- (i) GAG income is to be used for recurrent and capital expenditure in the forthcoming period. This funding is budgeted for assets for inclusion within the new school building which opened in October 2013 and for the development of educational resources for the students of the Academy.
- (ii) Start-up funding is earmarked for use on projects relating to the building of the new school, the provision of offsite resources during the construction phase.
- (iii) Restricted Fixed Asset Funds: capital fund relates to income received from the DfE, GAG funding used in the purchase of fixed assets and specific donations. On-going depreciation charges are charged against capital funds. No funds are included within the balance to be carried forward to the following year for the purchase of fixed assets.
- (iv) Endowment Funds represent funds provided by the Academy Trust's sponsors. Any return on this funding is earmarked for investment in educational activities.

**Analysis of academies by fund balance**

Fund balances at 31 August 2014 were allocated as follows:

	Total £'000
<i>Maltby Academy</i>	1,607
<i>Maltby Redwood Academy</i>	6
	<hr/>
<i>Total before fixed assets and pension reserve</i>	1,613
 <i>Restricted fixed asset fund</i>	 12,697
<i>Pension reserve</i>	(212)
	<hr/>
<b>Total</b>	<b>14,098</b>
	<hr/> <hr/>

**Analysis of academies by cost**

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

	<i>Teaching and Education al Support Staff Costs</i> £'000	<i>Other Support Staff Costs</i> £'000	<i>Educational supplies</i> £'000	<i>Other Costs (excluding depreciation)</i> £'000	<i>Total</i> £'000
<i>Maltby Academy</i>	5,025	577	377	1,249	7,228
<i>Maltby Redwood Academy</i>	327	49	26	127	529
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy Trust</b>	<b>5,352</b>	<b>626</b>	<b>403</b>	<b>1,376</b>	<b>7,757</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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19	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Endowment Assets £'000	Total funds £'000
	Tangible fixed assets	-	-	12,697	-	12,697
	Current assets	547	894	-	500	1,941
	Liabilities	-	(328)	-	-	(328)
	Pension scheme liability	-	(212)	-	-	(212)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	TOTAL NET ASSETS AT 31 AUGUST 2014	547	354	12,697	500	14,098
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
20	CAPITAL COMMITMENTS				2014 £'000	2013 £'000
	Contracted for, but not provided in the financial statements				12	235
					<hr/>	<hr/>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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**21 FINANCIAL COMMITMENTS**

**OPERATING LEASES**

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

	2014 £'000	2013 £'000
Other:		
Expiring within one year	3	1
Expiring within two and five years inclusive	-	15
	<hr/>	<hr/>
	3	16
	<hr/>	<hr/>

**22 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £'000	2013 £'000
Net income	10,720	278
Depreciation (note 12)	201	265
Capital grants from DfE and other capital income	(25)	(10)
Interest receivable	(11)	(37)
FRS 17 pension cost less contributions payable (note 29)	83	81
FRS 17 pension finance income (note 29)	(44)	(28)
Pension deficit on conversion	264	-
(Increase)/decrease in stocks	-	14
Increase in debtors	(31)	(31)
(Decrease)/Increase in creditors	(212)	258
Transfer on conversion	(1,256)	-
Transfer in year	(9,800)	-
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(111)</b>	<b>790</b>
	<hr/>	<hr/>

**23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

Interest received	11	37
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>11</b>	<b>37</b>
	<hr/>	<hr/>

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

24	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2014 £'000	2013 £'000
	Purchase of tangible fixed assets	(692)	(833)
	Capital grants from DfE/EFA	25	10
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(667)	(823)
25	MANAGEMENT OF LIQUID RESOURCES	2014 £'000	2013 £'000
	Placing of deposits	645	(254)
		645	(254)
26	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2013 £'000	At 31 August 2014 £'000
	Cash in hand and at bank	995	873
		995	873

27 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the EFA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

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

- (a) the value at that time of the Academy's assets held for the purpose of the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

28 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

# Maltby Learning Trust

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2014

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#### 29 PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 August 2014.

Contributions amounting to £86,469 (2013 - £75,356) were payable to the scheme at 31 August 2014 and are included within creditors.

#### **Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of

# Maltby Learning Trust

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2014

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#### 29 PENSION AND SIMILAR OBLIGATIONS (*continued*)

##### **Teachers' Pension Scheme (*continued*)**

prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

##### Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

HM Treasury has published the final Directions and the expected outcome of the TPS valuation is a total contribution rate of 26%. The new TPS employer rate will be 16.4% from September 2015. The rate is subject to confirmation following the scheme actuaries valuation report is finalised, and will be payable until the next the next valuation. The Public Service Pensions Act 2013 provides the legal framework for full actuarial valuations to be carried out every 4 years.

The pension costs paid to TPS in the year amounted to £457,053 (2013: £429,898).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £243,000, of which employer's contributions totalled £159,000 and employees' contribution totalled £84,000. The agreed rates for future years are 12.8% for employers and 5.5% - 12.5% for employees.

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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29 PENSION AND SIMILAR OBLIGATIONS (*continued*)

**Local Government Pension Scheme (*continued*)**

Principal actuarial assumptions

	2014	2013
Rate of increase in salaries	3.95%	4.15%
Rate of increase for pensions in payment	2.20%	2.40%
Discount rate	4.00%	4.60%
Inflation (CPI)	2.20%	2.40%

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

	2014	2013
Retiring today:		
Males	22.9	21.8
Females	25.5	24.7
Retiring in 20 years:		
Males	25.2	23.7
Females	28.3	26.6

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

29 PENSION AND SIMILAR OBLIGATIONS (*continued*)

**Local Government Pension Scheme (*continued*)**

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
		£'000		£'000
Equities	7.00%	2,877	7.00%	2,497
Government Bonds	2.90%	616	3.40%	567
Other Bonds	3.80%	311	4.40%	271
Property	6.20%	507	5.70%	390
Cash/Liquidity	0.50%	85	0.50%	82
Other	7.00%	306	7.00%	300
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>4,702</b>		<b>4,107</b>
Present value of scheme liabilities				
- Funded		(4,914)		(4,114)
<b>DEFICIT IN THE SCHEME</b>		<b>(212)</b>		<b>(7)</b>

The actual return on scheme assets was £489,000 (2013 - £449,000)

<b>Amounts recognised in the statement of financial activities</b>	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	83	81
Total operating charge	83	81
<b>Analysis of pension finance (income)/costs</b>		
Expected return on pension scheme assets	(246)	(201)
Interest on pension liabilities	202	173
Pension finance (income)/costs	(44)	(28)

**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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29 PENSION AND SIMILAR OBLIGATIONS (*continued*)

**Local Government Pension Scheme (*continued*)**

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £929,000 gain (2013 - £831,000 gain).

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
At 1 September	4,114	3,750
Current service cost	242	244
Interest cost	202	173
Employee contributions	84	77
Actuarial loss	57	-
Benefits paid	(74)	(130)
Business combinations	289	-
	<hr/>	<hr/>
At 31 August	4,914	4,114
	<hr/>	<hr/>
Movements in the fair value of Academy Trust's share of scheme assets:		
At 1 September	4,107	3,549
Expected return on assets	246	201
Actuarial gain	155	247
Employer contributions	159	163
Employee contributions	84	77
Benefits paid	(74)	(130)
Business combinations	25	-
	<hr/>	<hr/>
At 31 August	4,702	4,107
	<hr/>	<hr/>

The estimated value of employer contributions for the year ending 31 August 2015 is £164,000.



**Maltby Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

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29 PENSION AND SIMILAR OBLIGATIONS (*continued*)

**Local Government Pension Scheme (*continued*)**

The five-year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligations	(4,914)	(4,114)	(3,750)	(2,949)	(3,006)
Fair value of share of scheme assets	4,702	4,107	3,549	3,054	2,358
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(212)	(7)	(201)	105	(648)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets					
Amount £'000	155	247	99	318	(1)
Experience adjustments on scheme liabilities:					
Amount £'000	378	-	-	29	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

30 RELATED PARTIES

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

No related party transactions took place in the year.

31 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £23,319 and disbursed £21,358, with therefore an amount of £1,961 repayable by the Academy Trust at the 31 August 2014 included in other creditors. The Academy Trust retained no beneficial interest in individual transactions.

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MALTBY LEARNING TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Maltby Learning Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Maltby Learning Trust and the EFA in accordance with the terms of our engagement letter dated 22 September 2014. Our work has been undertaken so that we might state to the Maltby Learning Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Maltby Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Maltby Learning Trust accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Maltby Learning Trust funding agreement with the Secretary of State for Education dated 13 June 2007 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO THE MALTBY LEARNING TRUST AND THE EDUCATION FUNDING AGENCY  
(continued)**

**Conclusion**

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

*Baker Tilly UK Audit LLP*

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Date: 17.12.14