The Dean Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

Company Registration Number:
08027943 (England and Wales)

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Reference and Administrative Details

Members	Mr B D Rigby MBE Mr D J Palmer Mrs J Mantel Mr T Kapur CBE Mr A J McLaren – resigned 16th December 2013 Mr J T Shiels
Trustees	B D Rigby MBE (Chairman) D J Palmer * J Mantel T Kapur CBE (Chief Executive and accounting officer)* A J McLaren - resigned 16 December 2013 J T Shiels L McQue - appointed 16 May 2014 * Members of the audit committee
Senior Management Team:	
▪ Chief Executive and Academy Principal	T Kapur CBE
▪ Executive Principal	V Beer CBE
▪ Executive Principal	A Griffin
▪ Director of School Improvement	B Bridden
▪ Chief Finance Officer	N David
Principal and Registered Office	Ashton on Mersey School Cecil Avenue Sale Cheshire M33 5BP
Company Registration Number	08027943
Independent Auditor	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD
Bankers	Lloyds Bank PLC PO Box 1000 BX1 1LT
Solicitors	Stone King Solicitors 13 Queen Square Bath BA1 2HJ Rowley Dickinson Cardinal House 20 St Mary's Parsonage Manchester M3 2LY

Trustees Report

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

The trust operates 1 primary academy in Trafford, 2 secondary academies in Trafford and 1 secondary academy in Knowsley. Its academies have a combined pupil capacity of 3,859 and had numbers on roll (NOR) of 2,881 as reported in the school census on 15th May 2014.

Area	Trafford	Knowsley
Primary	184	N/A
Secondary 11-16	336	885
Secondary 11-18	1,476	N/A

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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

The Trustees meet at least each term with the first meeting in each academic year being the annual general meeting. Local Governing bodies and sub-committees meet on at least a termly basis. . Reports from Local Governing Bodies are received, scrutinised and ratified by Trustees. Trustees make regular visits to all academies within the Trust including attending Local Governing Body Meetings and attending and supporting functions.

Roles and responsibilities of Trustees, governors, and senior managers are clearly defined in the Trust Scheme of Delegation.

Connected Organisations including Related Party Relationships

The Trust is part of a wider network (Alliance) which includes a number of other schools and academies. This is mainly in relation to the activities of the teaching school, and principally involves collaborative working across a range of disciplines; but which essentially incorporates School to School Support and Professional Learning. The business of the Teaching School is managed through Ashton on Mersey Teaching School Limited, a wholly owned subsidiary of the Dean Trust.

The teaching school operates as a company limited by guarantee. The relationship with The Trust is two way; in that support can be commissioned by The Trust to aid any one of its schools, and the teaching school can commission support from any of The Trust schools to undertake teaching school contracts. This dynamic relationship ensures that all schools within The Trust can access high quality support whilst also benefiting from a talent pool.

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

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

The Chair of Trustees, Councillor Brian Rigby M.B.E. is a Trafford Councillor serving the Ashton upon Mersey ward in the Borough.

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

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

Objectives and Activities

Objects and Aims

The main objectives of the Trust during the year ended 31st August 2014 are summarised below:

- To become a SCITT
- To become a Maths Hub
- To access capital funds to improve the Trust estate
- To consider the redevelopment of the Forest Gate Academy site to accommodate significant pupil number growth
- To facilitate a smooth transition of the newly sponsored Lord Derby Academy into the Trust
- To raise the standard of educational achievements of all pupils in the Trust's academies
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continual review
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce and to utilise those links for the benefit of the Trust and pupils
- To provide value for money for the funds expended
- To conduct the Trust and Academy business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

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

The Dean Trust is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the Academy is at the centre. We aim for our communities to be proud of their local Dean Trust Academy.

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

The Trust's approach to this strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff
- A programme of after school activities for all students
- A career advisory service to help students obtain employment or move on to higher education
- A wide range of enrichment opportunities
- High quality professional learning opportunities for all Trust employees
- A process of continual monitoring and review of teaching and learning together with rigorous data analysis of individual pupil achievement.

Public Benefit

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

Strategic Report

Achievements and Performance

During the year the Trust successfully supported the former Huyton Arts and Sports Centre for Learning through the academy conversion process and formally sponsored the successor school, Lord Derby Academy, with effect from 1st February 2014. The integration of the Lord Derby Academy into the Trust has been successful as evidenced by the latest public examination results.

The public examination results at GCSE, Advanced Level and in Key Stage 1 and 2 SATs were pleasing overall with significant improvement noted in a number of the academies within the Trust. Headline results are summarised in the table below (figures in brackets relate to the 2013 results).

	Ashton on Mersey School	Broadoak school	Lord Derby Academy	Forest Gate Academy
Percentage of pupils gaining 5+ A*-C GCSE grades including English and Mathematics	62 (58)	38 (48)	44 (35)	N/A
Key stage 1 measure. Percentage of children attaining at least L2 in Reading, Writing and Maths.	N/A	N/A	N/A	Reading 95 (74) Writing 84 (57) Maths 95 (96) Y1 Phonics 94 (84)
Key stage 2 measure. Percentage of children attaining at least L4 in Reading, Writing and Maths.	N/A	N/A	N/A	Reading 94 (75) Writing 72 (75) Maths 89 (81) Combined 72 (63) EGPS 72 (50)

Key Stage 5 A-Level AS Level Vocational (BTEC)	 A*-E 100 (100) A*-C 56 (65) A*-E 91 (88) A*-C 55 (39) MMM+ 100 (98) DDD+ 94 (73) D*D*D* 43 (43)	N/A	N/A	N/A

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

- Grade 2 (Good) OFSTED outcome (Forest Gate Academy)
- Record GCSE examination results (Lord Derby Academy)
- Record levels of progress and outstanding attainment in English (Broadoak School)
- 4% improvement in headline results at Ashton on Mersey School which bucks the national trend in 2014 with outcomes in both English and Mathematics exceeding national average.
- Improvement in pupil attendance at all academies
- Growth in pupil numbers (Forest Gate Academy) temporarily accommodated by developing the school site
- Continued development of the Teaching School Alliance including leading a national pilot in Initial Teacher Training for Primary PE Specialists
- Outcomes via School Direct are above national averages and achieved full allocations quota for School Direct trainee teacher places.
- Successful application to become an accredited provider of School Centred Initial Teacher Training (Ashton on Mersey)
- Ashton on Mersey Teaching School selected by the DfE as 1 of 30 'mathematics education strategic hubs'
- Ashton on Mersey School awarded Manchester Evening News, Manchester School of the Year 2014
- Continued successful promotion of the Dean Trust brand securing further significant school to school support contracts in Manchester and Warrington
- Capital grants bids secured to the value of £1.2m (Broadoak School and Forest Gate Academy)
- Successful upgrade of kitchen and dining provision to support the delivery of the Universal Infant Free School Meals policy (Forest Gate Academy)
- Significant development and refresh of ICT infrastructure and hardware across all schools in the Group
- Continued positive engagement with the Trust's principal sponsors

Going Concern

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

Financial Review

Most of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31st August 2014, total expenditure of £18.8m was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £19.0m (£41.3m inclusive of funds transferred upon the conversion of LDA). The excess of income over expenditure for the period was £22.5m. Total funds carried forward amount to £63.7m. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the year ended 31st August 2014 amounted to £2.0m (inclusive of £0.7m non-recurrent school budget surplus which was transferred to LDA at the time of conversion) and £1.1m respectively.

At 31st August 2014 the net book value of fixed assets amounted to £64.5m and movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions in the year ended 31st August 2014 amounted to £0.7m.

Employees and disabled persons

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

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

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

Reserves Policy

The Trustees and Governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve) is £2,993,481. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects.

The Trustees have decided to adopt a prudent approach to reserves and aim to build a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is

sound commercial practice designed to safeguard the Trust's business activities and quality of education at all of the academies in the group.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £3.8m. It should however be noted that an immediate liability for this amount is not crystallised at the financial year end. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. This guarantee provides comfort to the Trustees in the unlikely event of an academy closure.

Investment Policy

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

Principal Risks and Uncertainties

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

The main risks are seen as the loss of reputation resulting from a drop in standards and academic performance at the academies, falling student numbers, failure to safeguard our students, and failure on high profile school to school support commissions. Key controls in place to mitigate these risks are:

- Forensic data analysis
- Annual school improvement plans at all academies of the Trust
- Robust self-evaluation procedures
- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

Plans for Future Periods

The overall performance in this reporting period was strong and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's main annual objectives for the next year are:

- To consider strategic growth opportunities that will achieve the Trust's mission and add value to the organisation
- To successfully manage and deliver School Centred ITT to our first cohort of trainees and recruit our planned numbers to the second cohort
- To successfully plan and deliver the 'mathematics education strategic hubs' initiative
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies
- To increase numbers on roll at Broadoak School and Lord Derby Academy
- To continue to develop school facilities at all sites
- Develop a sustainable plan to extend the facilities at Forest Gate to accommodate the increasing numbers of pupils

- To maintain adequate financial reserves to fund building and other investment needs
- To monitor, maintain and support outstanding governance at all Dean Trust academies.

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart. The academies aim to maintain or increase pupil numbers. Transitional arrangements for pupils entering the Trust's secondary academies will be well planned and structured, providing support for pupils at this important stage of their education. The curriculum will be broad, balanced and relevant in all key stages from KS1 to KS5 allowing all students to achieve success.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study and the provision of an on-line curriculum. All students will be confident users of ICT. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academies will be in the "high performing" category. The strategic development of the Academies will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of Trustees.

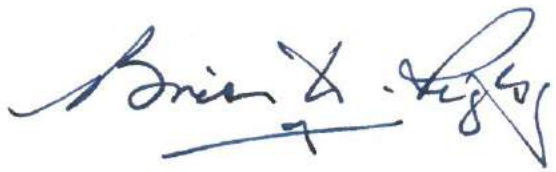
Auditor

In so far as the Trustees are aware:

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

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

Approved by order of the board of trustees on 1st Dec 2014 and signed on its behalf by:



Brian Rigby MBE
Chair of Trustees

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 The Dean Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees formally met 7 times during the year ended 31st August 2014. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Cllr B Rigby MBE	7	7
Mr T Kapur CBE	6	7
Mrs J Mantel	7	7
Mr A McLaren (resigned 16 December 2013)	2	2
Mr J Shiels	5	7
Mr D Palmer	7	7
Ms L McQue (appointed 16 May 2014)	1	2

Due to the size of the membership of the current Trust board, financial reporting is subsumed into the main board. Local Governing Body finance sub-committees have met on a regular basis throughout the year and the business conducted by these committees is reported into the Trust Board. Due to the relatively late conversion date during the financial year, the finance sub-committee remit for Lord Derby Academy was covered by the Local Governing Body. Attendance at meetings in the year ended 31st August 2014 was as follows:

West Trafford Learning Partnership Finance Committee

Governor	Meetings attended	Out of a possible
Mr A McLaren	4	4
Ms J Mantel	2	4
Cllr B Rigby MBE	2	4
Mr T Kapur CBE	2	4
Mr D Meacock	4	4
Mr P Costelloe	4	4

Mr S McFarlane	4	4
Mr A Griffin	2	4
Mrs V Beer	2	4
Mr N David	4	4

Mr A Griffin, Mrs V Beer and Mr N David were in attendance at these meetings in their capacity as lead professional advisers from the Executive Management Team.

Forest Gate Finance Committee

Governor	Meetings attended	Out of a possible
Mr G Devlin	3	3
Mrs P Terry	2	3
Miss N Hardman	3	3
Mr R Dixon (appointed 29 January 2014)	1	2
Mrs J Williams	3	3
Mr T Kapur	1	3
Mr N David	3	3
Mr P Heath	3	3

Mr N David was in attendance at these meetings in his capacity as Chief Finance Officer from the Executive Management Team.

The audit committee is a sub-committee of the board of Trustees. Its purpose is to assist the Board in fulfilling its oversight responsibilities with regard to the financial and risk management of the Trust. Attendance at meetings in the year ended 31st August 2014 was as follows:

Audit Committee

Trustee / Governor	Meetings attended	Out of a possible
Mr D Palmer	1	1
Mr N David	1	1
Mr T Kapur	1	1

Mr N David was in attendance at these meetings in his capacity as Chief Finance Officer from the Executive Management Team .

In March 2014 a review of the size, structure and composition of the committees of the Board, including the Local Governing Bodies, commenced. Elements of the review remain ongoing but some key decisions have been agreed and implemented including the removal of the category of LA Governors. Membership of the Local Governing Bodies have been reviewed during the year and in some instances governors have been removed from the LGB where their attendance or contribution has not been effective. In addition new governors have been recruited bringing finance and human resources expertise, further strengthening the skill set of the LGBs in key areas.

The Board are seeking to appoint at least one additional member with skills and expertise in finance and the membership of the Audit Committee will be increased and adjusted as a priority.

The Board have appointed a Governance Manager to support them in carrying out their duties and to provide advice and support to the Local Governing Bodies as required. Having recently completed the Diploma of School Business Management, The Governance Manager has a central role in advising the Board as a whole across a wide spectrum of issues and about the appropriate governance framework for the organisation. Ongoing CPD for this role includes enrolment onto the NCTL Clerks' Development Programme which launched in October 2014.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

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

Review of Effectiveness

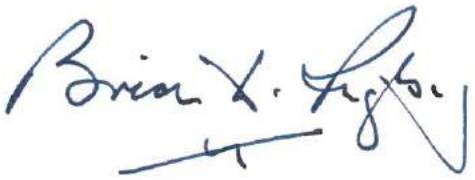
As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management process;

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 1st December 2014 and signed on its behalf by:



Brian Rigby MBE
Chair of Trustees

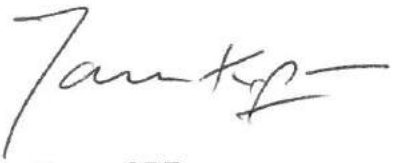
Tarun Kapur CBE
Chief Executive and Academy Principal
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

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

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



Tarun Kapur CBE
Accounting Officer

1st December 2014

Statement of Trustees' Responsibilities

The trustees (who act as governors of The Dean Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

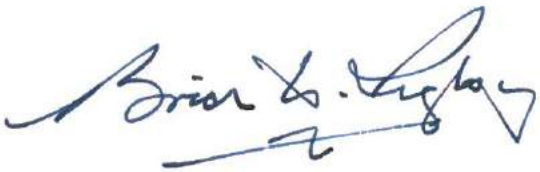
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 1st December 2014 and signed on its behalf by:



Brian Rigby MBE
Chair of Trustees

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

We have audited the financial statements of The Dean Trust for the year ended 31st August 2014, set out on pages 21 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy Trust members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the Academy Trust members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees Responsibilities Statement, the trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinions on financial statements

In our opinion the financial statements:-

- give a true and fair view of the state of the Academy Trust's affairs as at 31st August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Anna Bennett
Senior Statutory Auditor

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

Date: 1st December 2014

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

In accordance with the terms of our engagement letter dated 1st May 2013 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 The Dean Trust during the year ended 31st August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Dean Trust's master funding agreement with the Secretary of State for Education dated 1st May 2012 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 year ended 31st August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.

- We have considered the evidence supporting the accounting officer's statement on regularity, property and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body and conform to the limits set by the Department for Education.

- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

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

Date: 1st December 2014

Statement of Financial Activities for the year ended 31 August 2014 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

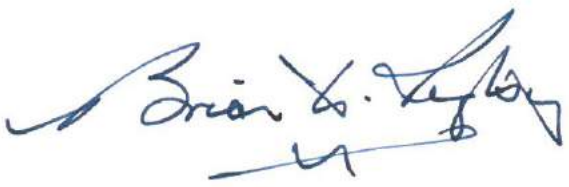
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming Resources						
Incoming resources from generated funds:						
- Voluntary income	2	32,950	1,150	0	**34,100**	85,899
- Transfer from LA on conversion	29	674,654	(1,437,000)	23,054,900	**22,292,554**	42,030,605
- Activities for generating funds	3	741,663	304,142	0	**1,045,805**	1,187,715
- Investment Income	4	4,545	0	0	**4,545**	4,442
Incoming resources from charitable activities:						
Funding for the academy trust's educational operations	5	570,376	16,968,608	377,812	**17,916,796**	17,358,990
Total incoming resources		**2,024,188**	**15,836,900**	**23,432,712**	**41,293,800**	**60,667,651**
Resources Expended						
Cost of generating funds:						
Cost of generating voluntary	6	11,419	0	0	**11,419**	0
Fundraising trading	6	1,052,206	0	0	**1,052,206**	1,055,349
Charitable activities:						
Academy trust educational operations	7	59,982	16,368,209	1,069,870	**17,498,061**	17,035,144
Governance costs	8	0	237,299	0	**237,299**	146,142
Total resources expended		**1,123,607**	**16,605,508**	**1,069,870**	**18,798,985**	**18,236,635**
Net incoming / (outgoing) resources before transfers		**900,581**	**(768,608)**	**22,362,842**	**22,494,815**	**42,431,016**
Gross transfers between funds	17	(21,697)	(270,902)	292,599	**0**	0
Net incoming / (expenditure) for the year		**878,884**	**(1,039,510)**	**22,655,441**	**22,494,815**	**42,431,016**
Other recognised gains and losses						
Actuarial gains / (losses) on defined benefit pension schemes	17, 27	0	(1,309,000)	0	**(1,309,000)**	117,000
Net movement in funds		**878,884**	**(2,348,510)**	**22,655,441**	**21,185,815**	**42,548,016**
Reconciliation of funds						
Total funds brought forward at 1 September 2013	17	1,535,482	(873,375)	41,885,909	**42,548,016**	0
Total funds carried forward at 31 August 2014		**2,414,366**	**(3,221,885)**	**64,541,350**	**63,733,831**	**42,548,016**

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

Balance Sheet
as at 31 August 2014
(Company Number 08027943)

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	13		**64,541,350**		41,885,909
Current assets					
Stock	14	**94,528**		15,144	
Debtors	15	**1,226,176**		846,274	
Cash at bank and in hand		**4,232,922**		2,547,380	
		5,553,626		3,408,798	
Liabilities					
Creditors: Amounts falling due within one year	16a	**(2,525,235)**		(1,691,691)	
Net current assets			**3,028,391**		1,717,107
Total assets less current liabilities			**67,569,741**		43,603,016
Creditors: Amounts falling due after more than one year	16b		**(34,910)**		0
Net assets (excluding net pension liability)			**67,534,831**		43,603,016
Pension scheme liability	27		**(3,801,000)**		(1,055,000)
Net assets including pension liability			**63,733,831**		42,548,016
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	**64,541,350**		41,885,909	
General fund	17	**579,115**		181,625	
Pension reserve	17	**(3,801,000)**		(1,055,000)	
Total restricted funds			**61,319,465**		41,012,534
Unrestricted income funds					
General fund	17	**2,414,366**		1,535,482	
Total unrestricted funds			**2,414,366**		1,535,482
Total funds			**63,733,831**		42,548,016

The financial statements on pages 21 to 45 were approved by the trustees, and authorised for issue on 1st December 2014 and are signed on its behalf by



Brian Rigby
Chair of Trustees

Cash Flow Statement for the Year Ended 31 August 2014

	Notes	2014 £	2013 £
Net Cash inflow from operating activities	21	1,965,594	3,069,045
Returns on investments and servicing of finance	22	4,545	4,441
Capital expenditure	23	(284,597)	(526,106)
Net increase in cash in the period	24	**1,685,542**	**2,547,380**
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		1,685,542	2,547,380
Net funds at 1 September 2013		2,547,380	0
Net funds at 31 August 2014		**4,232,922**	**2,547,380**

Notes to the Financial Statements for the year ended 31 August 2014

1. Statement of accounting policies

Conversion to an Academy Trust

The conversion of Huyton Arts & Sports Centre for Learning from state maintained school to Lord Derby Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value being a reasonable estimate of market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Dean Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transfers on conversion are set out in note 29.

Basis of Preparation

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

Going Concern

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

Incoming Resources

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

- **Grants Receivable**

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

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

  Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended.

- **Sponsorship Income**
  Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

- **Donated Services and Gifts in Kind**
  The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

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

- **Costs of Generating Funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**
  These are costs incurred on the academy trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund

in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

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

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

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

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

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

Stock
Unsold uniforms and vending stocks are valued at the lower of cost or net realisable value.

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

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

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

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

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

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

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

2. Voluntary Income

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total 2014**	**Total 2013**
	£	£	£	£	£
Private sponsorship	0	0	0	**0**	50,000
Other donations	32,950	1,150	0	**34,100**	35,899
	32,950	**1,150**	**0**	**34,100**	**85,899**

3. Activities for Generating Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total 2014**	**Total 2013**
	£	£	£	£	£
Hire of facilities	9,431	0	0	**9,431**	5,990
Contributions to trips	0	261,485	0	**261,485**	318,856
Catering income	28,945	0	0	**28,945**	33,128
Insurance claims income	0	28,509	0	**28,509**	5,348
Sales income	691,292	14,148	0	**705,440**	823,260
Other income	11,995	0	0	**11,995**	1,133
	741,663	**304,142**	**0**	**1,045,805**	**1,187,715**

4. Investment Income

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2014	Total 2013
	£	£	£	£	£
Short term deposits	0	0	0	**0**	0
Bank interest	4,545	0	0	**4,545**	4,442
	4,545	**0**	**0**	**4,545**	**4,442**

5. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2014	Total 2013
	£	£	£	£	£
DfE / EFA grants					
- General Annual Grant (GAG)	0	15,097,764	0	**15,097,764**	14,652,232
- Start up Grants	0	416,698	0	**416,698**	40,000
- Capital Grants	0	0	377,812	**377,812**	875,212
- Other DfE / EFA Grants	452,707	230,854	0	**683,561**	355,648
	452,707	**15,745,316**	**377,812**	**16,575,835**	15,923,092
Other Government grants					
- Local Authority grants	0	954,368	0	**954,368**	1,273,229
- Other government grants	0	42,019	0	**42,019**	0
	0	**996,387**	**0**	**996,387**	1,273,229
Other income					
- Government sources (non-grant)	0	6,870	0	**6,870**	2,837
- Academies	38,174	0	0	**38,174**	6,979
- Non-Government - Revenue	79,495	220,035	0	**299,530**	152,853
- Non-Government - Capital	0	0	0	**0**	0
	117,669	**226,905**	**0**	**344,574**	162,669
	570,376	**16,968,608**	**377,812**	**17,916,796**	17,358,990

6. Resources Expended

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2014	2013
	£	£	£	£	£
Costs of generating voluntary income	0	0	11,419	**11,419**	0
Costs of activities for generating funds	622,740	71,804	357,663	**1,052,207**	1,055,349
Academy's educational operations:					
- Direct costs	9,903,621	0	2,485,970	**12,389,591**	12,170,751
- Allocated support costs	1,861,254	2,209,985	1,037,230	**5,108,469**	4,864,393
	12,387,615	**2,281,789**	**3,892,282**	**18,561,686**	18,090,493
Governance costs including allocated support costs	36,185	0	201,114	**237,299**	146,142
	12,423,800	**2,281,789**	**4,093,396**	**18,798,985**	18,236,635

Incoming / outgoing resources for the year include:

	2014	2013
	£	£
Operating leases:		
- Plant & Machinery	**0**	0
- Other Leases	**287,842**	350,527
	287,842	350,527

Included within resources expended are the following transactions:

	2014	2013
	£	£
Stock losses	**4,269**	0
Unrecoverable debts	**0**	0

The stock loss relates to the value of uniform items that became obsolete when a decision was taken to change the uniform at Broadoak School to make it consistent with uniforms at other Dean Trust schools.

7. Charitable Activities – Academy's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Direct costs - educational operations					
Teaching and educational support staff costs	0	9,903,621	0	**9,903,621**	9,935,067
Depreciation	0	0	988,918	**988,918**	919,574
Technology costs	0	81,252	0	**81,252**	105,292
Educational supplies	26,266	1,033,813	0	**1,060,079**	816,485
Examination fees	0	234,755	0	**234,755**	234,339
Staff development	0	35,665	0	**35,665**	52,944
Educational consultancy	0	50,358	0	**50,358**	72,408
Other direct costs	1,095	33,848	0	**34,943**	34,642
	27,361	**11,373,312**	**988,918**	**12,389,591**	12,170,751
Support costs - educational operations					
Support staff costs	0	1,861,254	0	**1,861,254**	1,819,805
Depreciation	0	0	72,950	**72,950**	67,835
Technology costs	600	235,179	0	**235,779**	183,393
Recruitment and support	0	11,677	0	**11,677**	35,527
Maintenance of premises and equipment	0	485,445	0	**485,445**	439,655
Cleaning	0	430,085	0	**430,085**	384,074
Rent & rates	0	125,341	8,002	**133,343**	146,055
Operating leases	0	287,842	0	**287,842**	343,889
Water	0	108,390	0	**108,390**	89,890
Energy costs	0	295,130	0	**295,130**	297,034
Insurance	0	102,813	0	**102,813**	100,704
Security	0	34,602	0	**34,602**	33,017
Transport	320	93,930	0	**94,250**	83,527
Catering	28,935	400,973	0	**429,908**	347,810
Other occupancy costs	0	24,207	0	**24,207**	15,890
Bank interest and charges	0	1,475	0	**1,475**	607
Administration furniture & equipment	0	59,665	0	**59,665**	45,721
Office overheads	2,766	232,412	0	**235,178**	270,786
Other support costs	0	204,477	0	**204,477**	159,173
	32,621	**4,994,897**	**80,952**	**5,108,470**	4,864,392
	59,982	**16,368,209**	**1,069,870**	**17,498,061**	17,035,143

8. Governance Costs

	Unrestricted Funds	Restricted General Funds	Total 2014	Total 2013
	£	£	£	£
Legal and professional fees	0	178,546	**178,546**	106,751
Auditor's remuneration				
- Audit of financial statements	0	12,100	**12,100**	7,510
- Other audit costs	0	1,776	**1,776**	7,365
Support staff costs	0	36,185	**36,185**	18,552
Clerking fees	0	6,450	**6,450**	3,588
Trustees' reimbursed expenses	0	2,242	**2,242**	2,376
	0	**237,299**	**237,299**	**146,142**

9. Staff Costs

	Educational Operations	Activities for generating funds	Total 2014	Total 2013
	£	£	£	£
Staff costs during the year were:				
Wages and salaries	9,308,502	543,698	**9,852,200**	10,066,371
Social security costs	745,142	19,964	**765,106**	770,693
Pension costs	1,346,414	32,889	**1,379,303**	1,367,731
	11,400,058	596,551	**11,996,609**	12,204,795
Supply teacher costs	226,588	380	**226,968**	122,156
Supply support staff costs	89,705	25,809	**115,514**	40,295
Staff restructuring costs	48,525	0	**48,525**	0
	11,764,876	622,740	**12,387,616**	**12,367,246**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £48,525 (2013: nil). 3 of the non-statutory/non-contractual payments exceeded £5,000 individually and these were for £9,000, £16,000 and £23,150.

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

	2014	2013
	£	£
Charitable activities		
Teachers	**183**	120
Administration and support	**214**	133
Management	**23**	17
	420	**270**

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

	2014 No.	2013 No.
£60,001 - £70,000	3	0
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	0	0
£110,001 - £120,000	1	1
£120,001 - £130,000	0	0
£130,001 - £140,000	0	0
£140,001 - £150,000	1	0
£150,001 - £160,000	0	1

8 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2014, employer pension contributions for these staff amounted to £87,346 (2013: £85,509). The other employee participated in the Local Government Pension Scheme for which employer pension contributions amounted to £15,801 (2013: £20,058).

10. Central Services

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

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

The Trust policy on charging for central services is to employ a flat percentage of 5% of total income excluding pupil premium, high needs funding, and other specific grants or income relating to certain areas of Trust business. The actual amounts charged during the year ended 31 August 2014 were as follows:

	Total 2014 £
Ashton on Mersey School	361,564
Broadoak School	137,742
Forest Gate Academy	49,611
Lord Derby Academy	139,665
	688,582

11. Related Party Transactions – Trustees' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

T Kapur (Chief Executive Officer and Trustee): £140,001 - £150,000

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

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

12. Trustees' and Officers' Insurance

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

13. Tangible Fixed Assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	**Total 2014 £**
Cost						
At 1 September 2013	40,273,754	2,065,000	425,714	101,850	7,000	**42,873,318**
Asset reclassification	-253,265	0	253,265	0	0	**0**
Transferred on conversion	0	23,007,580	46,200	1,120	0	**23,054,900**
Additions	282,282	10,872	274,469	94,786	0	**662,409**
Disposals	0	0	0	0	0	**0**
As at 31 August 2014	**40,302,771**	**25,083,452**	**999,648**	**197,756**	**7,000**	**66,590,627**
Depreciation						
At 1 September 2013	836,544	32,920	91,372	24,573	2,000	**987,409**
Charged in year	639,303	301,437	81,099	38,629	1,400	**1,061,868**
Disposals	0	0	0	0	0	**0**
As at 31 August 2014	**1,475,847**	**334,357**	**172,471**	**63,202**	**3,400**	**2,049,277**
Net book values						
As at 31 August 2014	**38,826,924**	**24,749,095**	**827,177**	**134,554**	**3,600**	**64,541,350**
At 31 August 2013	39,437,210	2,032,080	334,342	77,277	5,000	**41,885,909**

The transfer value on conversion to academy of land and buildings was ascertained by FHP property consultants. The basis of valuation was depreciated replacement cost.

14. Stock

	2014	2013
	£	£
Clothing	**19,489**	7,910
Stationery	**74,868**	6,741
Catering	**171**	493
	94,528	15,144

15. Debtors

	2014	2013
	£	£
Trade debtors	**160,413**	117,754
Accrued income	**607,211**	243,572
VAT recoverable	**72,009**	96,539
Other debtors	**51,242**	123,210
Prepayments	**335,300**	265,199
	1,226,175	846,274

16. Creditors

a) Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	**613,546**	458,830
Taxation and social security	**308,555**	179,215
Other creditors	**219,319**	412,976
Accruals and deferred income	**1,383,815**	640,670
	2,525,235	1,691,691

Deferred income	2014 £
Deferred income at 1 September 2013	421,436
Resources deferred in the year	0
Amounts released from previous years	(421,436)
Deferred income at 31 August 2014	740,308
	740,308

At the balance sheet date the Trust was holding funds received in advance for NCSL collaborative funding, capital funding for projects to be delivered in 2014/2015, EFA funding, and LA funding.

b) Amounts falling due after more than one year

	2014	2013
	£	£
SALIX funding	**34,910**	0
	34,910	0

At the balance sheet date the Trust had received £34,910 of SALIX funding relating to capital projects. SALIX funding is an interest free loan approved by the EFA and is repayable in equal instalments over 8 years commencing on 1st March 2015.

17. Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	**Balance at 31 August 2014**
	£	£	£	£	£
Restricted general funds					
General annual grant (GAG)	181,625	14,138,981	(13,470,590)	(270,902)	**579,114**
Start up grant	0	416,698	(416,698)	0	**0**
Other DfE/EFA grants	0	2,364,041	(2,364,041)	0	**0**
Other restricted funds	0	354,180	(354,180)	0	**0**
Pension reserve	(1,055,000)	(1,437,000)	0	(1,309,000)	**(3,801,000)**
	(873,375)	**15,836,900**	**(16,605,509)**	**(1,579,902)**	**(3,221,886)**
Restricted fixed asset funds					
DfE/EFA capital grants	41,359,803	377,812	(377,812)	0	**41,359,803**
Assets transferred on conversion	0	23,054,899	0	0	**23,054,899**
Capital expenditure from GAG	526,106	0	(692,057)	292,599	**126,648**
Private sector capital sponsorship	0	0	0	0	**0**
As at 31 August 2014	**41,885,909**	**23,432,711**	**(1,069,869)**	**292,599**	**64,541,350**
Total restricted funds	**41,012,534**	**39,269,611**	**(17,675,378)**	**(1,287,303)**	**61,319,464**
Unrestricted funds					
Unrestricted funds	1,535,482	2,024,189	(1,123,607)	(21,697)	**2,414,367**
Total unrestricted funds	**1,535,482**	**2,024,189**	**(1,123,607)**	**(21,697)**	**2,414,367**
Total funds	**42,548,016**	**41,293,800**	**(18,798,985)**	**(1,309,000)**	**63,733,831**

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

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

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

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

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

18. Analysis of Net Assets between Funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	**Total Funds**
	£	£	£	£
Tangible fixed assets	0	0	64,541,350	**64,541,350**
Current assets	2,436,064	3,117,562	0	**5,553,626**
Current liabilities	0	(2,525,235)	0	**(2,525,235)**
Liabilities due after more than one year	0	(34,910)	0	**(34,910)**
Pension scheme liability	0	(3,801,000)	0	**(3,801,000)**
	2,436,064	**(3,243,583)**	**64,541,350**	**63,733,831**

19. Capital Commitments

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

	2014	**2013**
	£	£
Contracted sum for heating plant and boilers	99,297	295,470
Contracted sum for curtain walling	0	125,301
Contracted sum for entrance and parking works	81,725	0
Contracted sum for building alterations	44,157	0
Contracted sum for telephony replacements	29,183	0
Sums accounted for as assets in the course of construction	(125,448)	(346,987)
	128,914	**73,784**

20. Financial Commitments

Operating Leases

At 31 August 2014 the Trust had commitments under non-cancellable operating leases as follows:

	2014	**2013**
Other (operating leases)	£	£
Expiring within one year	59,600	80,684
Expiring within two and five years inclusive	138,916	101,481
Expiring in over five years	0	0
	198,516	**182,165**

Excluded from the above are two non-cancellable operating leases entered into post 31st August 2014 for the provision of IT hardware and infrastructure. The annual commitment of these leases is £106,156 p.a. over a three year period and £43,730 p.a. for a further two years.

PFI Commitments

Lord Derby Academy is a PFI school which operates from a site which opened in September 2009 under a 25 year contract. Upon the conversion of Lord Derby Academy the Trust contracted with Knowsley MBC to discharge the financial obligations of unitary charges for the remainder of the contract. The unitary charges amount to £931,426 per annum subject to indexation using RPI. Based on current values, at 31 August 2014 the Trust had unitary charge commitments as follows:

PFI Commitments	**2014** £	**2013** £
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	18,628,520	0
	18,628,520	**0**

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

	2014 £	**2013** £
Net income	21,185,815	42,548,016
Depreciation (note 13)	1,061,868	987,409
Donations - inherited assets less pension liability	(21,617,900)	(40,300,000)
Capital grants from DfE/EFA and other capital income	(377,812)	(875,212)
Interest receivable (note 4)	(4,545)	(4,442)
FRS 17 pension adjustment	1,309,000	(117,000)
Increase in stocks	(79,384)	(15,144)
Increase in debtors	(379,902)	(846,274)
Increase in creditors	868,454	1,691,691
Net cash inflow from operating activities	**1,965,594**	**3,069,044**

22. Returns on Investments and Servicing of Finance

	2014 £	**2013** £
Interest received	**4,545**	**4,442**
Net cash inflow from returns on investment and servicing of finance	**4,545**	**4,442**

23. Capital Expenditure and Financial Investment

	2014	2013
	£	£
Purchase of tangible fixed assets	(662,409)	(1,401,318)
Capital grants from DfE/EFA	377,812	875,212
Capital grants from sponsors and others	0	0
Receipts from sale of tangible fixed assets	0	0
Net cash outflow from capital expenditure and financial investment	**(284,597)**	**(526,106)**

24. Analysis of Changes in Net Funds

	At 1 September 2013	Cash flows	At 31 August 2014
	£	£	£
Cash in hand and at bank	2,547,380	1,685,542	**4,232,922**
	2,547,380	**1,685,542**	**4,232,922**

25. Contingent Liabilities

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

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

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

26. Members' Liability

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

27. Pension and Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council (TMBC) for Ashton on Mersey School, Broadoak School, and Forest Gate Academy, and by Knowsley Metropolitan Borough Council (KMBC) for Lord Derby Academy. Both pension schemes are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the TMBC LGPS 31 March 2014 and of the KMBC LGPS 31 March 2013.

As described in note 1 (conversion to academy trust), the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversions from maintained schools and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both predecessor schools and the academy trust at the balance sheet date.

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed

gross rate of return was 6.5%. From 1 January 2007, 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 Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2014 was £681,000, of which employer's contributions totalled £506,000 and employees' contributions totalled £175,000. The agreed contribution rates for future years are 17.9% (TMBC) and 13.9% (KMBC) for employers and are banded from 5.5% to 7.5% for employees.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.8%	4.6%
Rate of increase for pensions in payment/inflation	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Inflation assumption (CPI)	2.2%	2.9%
Commutation of pensions to lump sums (pre-April 2008 service)	55.0%	50.0%
Commutation of pensions to lump sums (post-April 2008 service)	80.0%	75.0%

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

	At 31 August 2014		At 31 August 2013	
	Approximate increase in employer liability	Approximate monetary amount	Approximate increase in employer liability	Approximate monetary amount
	%	£000	%	£000
0.5% decrease in real discount rate	15	1,537	13	787
1 year increase in member life expectancy	3	287	3	184
0.5% increase in the salary increase rate	12	740	5	320
0.5% increase in the pension increase rate	6	574	7	449

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

	At 31 August 2014	At 31 August 2013
Current pensioners:		
Males	21.4 years	20.1 years
Females	24.0 years	22.9 years
Future pensioners:		
Males	24.0 years	22.5 years
Females	26.6 years	25.0 years

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
	%	£000	%	£000
Equities	6.3	4,616	6.6	3,668
Bonds	3.2	1,171	3.9	917
Property	4.5	391	4.7	305
Cash	3.3	330	3.6	204
Present value of scheme liabilities		6,508		5,094
– Funded		(10,309)		(6,149)
Total net assets		**(3,801)**		**(1,055)**

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return assumptions are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP. The expected returns shown in this report have been calculated using 5,000

simulations of the HRAM, calibrated using market data. The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM the yield rates applicable at the accounting date on suitable bond indices has been used.

The actual return on scheme assets was £536,000.

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

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	(602)	(444)
Past service cost	0	0
Total operating charge	(602)	(444)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	316	202
Interest on pension liabilities	(339)	(226)
Pension finance income/(costs)	**(23)**	**(24)**

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

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

	2014 £000	2013 £000
At 1 September	6,149	5,036
Current service cost	602	577
Interest cost	339	300
Employee contributions	175	175
Actuarial loss	1,571	177
Benefits paid	(101)	(116)
Liabilities assumed in a business combination	1,574	0
Past service cost	0	0
Curtailments and settlements	0	0
At 31 August	**10,309**	**6,149**

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

	2014 £000	2013 £000
At 1 September	5,094	3,864
Expected return on assets	316	271
Actuarial gain	518	427
Employee contributions	175	175
Employer contributions	506	473
Benefits paid	(101)	(116)
At 31 August	**6,508**	**5,094**

The estimated value of employer contributions for the year ending 31 August 2014 is £578,000.

The history of experience adjustments is as follows:

	2014 £000	2013 £000
Fair value of scheme assets	6,471	5,094
Present value of defined benefit obligations	(8,509)	(6,149)
Deficit in the scheme	**(2,038)**	**(1,055)**
Experience gains on scheme assets	518	457
Experience gains on scheme liabilities	0	0

28. Related Party Transactions

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

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

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

- Kreativ Ltd – a company in which J Mantel, a trustee, is a director and has an interest. Transactions totalling £57,453 relating to the procurement of design and printing services took place in the year ended 31 August 2014. There was £19,386 outstanding at 31 August 2014.
- Beever & Struthers – a practice of chartered accountants and business advisors in which A J McLaren, a trustee (to 16th December 2013), is a partner. Transactions totalling £1,424 relating to professional services and responsible officer duties took place in the year ended 31 August 2014. There were no outstanding amounts at 31 August 2014.
- Manchester United Foundation – a charity in which T Kapur, a trustee and chief executive, is a board member. The Manchester United Foundation operates a football hub from the Broadoak School site. This links with the football development plan for Partington and the neighbouring communities run by Broadoak School. The cost of the football hub amounted to £33,000 and predominantly related to the employment of a football development officer by the Manchester United Foundation. There were no outstanding amounts at 31 August 2014.
- Trafford Community Leisure Trust (TCLT) – a charity in which T Kapur, a trustee and chief executive, is a board member. Expenditure totalling £73,118 relating to charges for the hire and use of the Partington Leisure Centre and coaching services to Forest Gate staff and pupils. There was £450 outstanding at 31 August 2014. Partington Leisure Centre is based on the Broadoak School site. It is however not part of the Trust's estate. The building receives supplies of certain utilities via the same mains connection as Broadoak School. The relevant proportion of the consumption of these services by Partington Leisure Centre is charges to TCLT based upon meter readings or an agreed percentage of cost. A total of £44,113 was charged by Broadoak School to TCLT in the year ended 31 August 2014. The Trust has also entered an agreement with TCLT in respect of community use of sports facilities owned by the Trust. The Trust accrues income under this agreement. A total of £10,828 was received in the year ended 31 August 2014.

29. Conversion to Academy Trust

On 1 February 2014 Huyton Arts & Sports Centre for Learning (HASCL) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Dean Trust from Knowsley MBC for £nil consideration.

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

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total 2014**	**Total 2013**
	£	£	£	£	£
Tangible fixed assets					
Freehold / Leasehold land & buildings	0	0	23,007,580	**23,007,580**	41,232,000
Other tangible fixed assets	0	0	47,320	**47,320**	240,000
Other assets and liabilities					
Budget surplus in LA funds	674,654	0	0	**674,654**	1,621,148
Budget surplus on other school funds	0	0	0	**0**	109,457
LGPS pension fund deficit	0	(1,437,000)	0	**(1,437,000)**	(1,172,000)
Net Assets	**674,654**	**(1,437,000)**	**23,054,900**	**22,292,554**	**42,030,605**

The above net assets include £674,654 that was transferred as cash/bank balances.

30. Fund balances

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

	Ashton on Mersey School	Broadoak School	Forest Gate Academy	Lord Derby Academy	**Total 2014**	Total 2013
	£	£	£	£	£	£
Restricted Funds						
Fixed asset fund	23,365,634	16,162,276	2,195,794	22,817,646	**64,541,350**	41,885,909
General fund	266,151	53,117	0	259,847	**579,115**	181,625
Pension reserve	(1,548,000)	(360,000)	(129,000)	(1,764,000)	**(3,801,000)**	(1,055,000)
Total restricted funds	**22,083,785**	**15,855,393**	**2,066,794**	**21,313,493**	**61,319,465**	41,012,534
Unrestricted funds						
General fund	1,010,628	439,700	160,618	757,637	**2,368,583**	1,492,476
School fund	45,783	0	0	0	**45,783**	43,006
Total unrestricted funds	**1,056,411**	**439,700**	**160,618**	**757,637**	**2,414,366**	1,535,482
Total funds	**23,140,196**	**16,295,093**	**2,227,412**	**22,071,130**	**63,733,831**	**42,548,016**

Analysis of academies by cost

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Depreciation	**Total 2014**
	£	£	£	£		£
Ashton on Mersey School	5,295,664	1,283,626	567,710	1,491,871	456,960	**9,095,831**
Broadoak School	1,762,240	265,342	223,307	787,988	285,343	**3,324,220**
Forest Gate Academy	711,185	100,224	103,479	287,997	44,799	**1,247,684**
Lord Derby Academy	2,134,532	212,063	165,583	1,043,382	274,766	**3,830,326**
Total funds	**9,903,621**	**1,861,255**	**1,060,079**	**3,611,238**	**1,061,868**	**17,498,061**

31. Events after the balance sheet date

On the 19th February 2014 Ashton on Mersey School was formally accredited by the National College for Teaching and Leadership as a School Centred Initial Teacher Training (SCITT) provider, with the designation becoming effective on the 1st September 2014. This is a non-adjusting event in accordance with FRS 21 (Events after the balance sheet date). The anticipated turnover from SCITT activity is forecasted to be £418,000 in the 2014/15 financial year.