

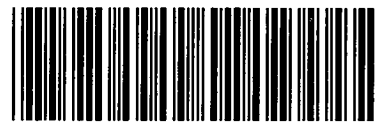
Registered number: 08269215

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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 **Bishop Fleming**
Chartered Accountants

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members	<p>Dr J Kidman, Chair of the Board of Directors Revd Canon D Elkington, The Clerk in Holy Orders Revd Philip Conway, The Incumbent Mrs J Osborne, Representing the Diocesan Bishop (appointed 24 February 2014) Dr S Brownlow, Representing Askel Veur (appointed 24 February 2014) Mrs S Green, Representing the Diocesan Bishop (resigned 24 February 2014)</p>
Trustees	<p>Mrs S Piper, Representing Askel Veur (resigned 24 February 2014) Dr J Kidman, Chair of the Board of Trustees^{1,2,3,4,5} Revd Canon D Elkington, Trustee¹ Revd Philip Conway, Trustee^{1,7} Mrs S Piper, Trustee Mr M Slater, Parent Trustee (resigned 7 January 2014)^{2,6} Mrs F Corfield, Staff Trustee^{1,2,3,4,7} Mrs K Holmes, Staff Trustee^{1,2,3,4,6} Mr S Renshaw, Principal^{1,2,3,4,5} Mr J Sloan, Vice Chair of Trustees^{3,5} Mr B Mitchell, Trustee³ Mrs R Watkins, Chair of LGB St Petroc's School (appointed 10 December 2013)⁵ Mr D Monks, Chair of LGB St Winnow and Lerryn (appointed 10 December 2013)⁷ Revd Canon G Minors (appointed 10 December 2013) Mrs S Sims (appointed 12 February 2014) Mrs C Grigg, Chair of LGB St Mabyn and St Tudy (appointed 30 January 2014)⁶ Mrs S Green</p>

- ¹ Christian Foundation Committee
- ² School Improvement Committee
- ³ Resources and Audit Committee
- ⁴ Premises and Safety Committee
- ⁵ Local Governing Body (LGB) St Petroc's School
- ⁶ Local Governing Body (LGB) St Mabyn and St Tudy
- ⁷ Local Governing Body (LGB) St Winnow and Lerryn

Company registered number	08269215
Principal and registered office	<p>St Petroc's Church Of England Primary School Athelstan Park Bodmin Cornwall PL31 1DS</p>
Company secretary	Mrs S Gilbert
Accounting officer	Mr S Renshaw
Senior management team	<p>Mrs F Corfield, School Improvement Lead Mrs K Holmes, Executive Headteacher St Tudy and St Mabyn Mr S Renshaw, Principal and Headteacher of St Petroc's Mrs E Williams, Acting Executive Headteacher St Winnow and Lerryn (commenced maternity leave June 2014)</p>

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank plc 14 Molesworth Street Wadebridge Cornwall PL27 7DE
Solicitors	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter EX1 1UP
Actuary	Hymans Robertson LLP One London Wall London EC2Y 5EA

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Bodmin, Lerryn, St. Mabyn, St. Tudy and St. Winnow. It has a pupil capacity of 773 and had a roll of 663 in the school census on 16 January 2014.

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 Saints' Way Church of England Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000

TRUSTEES

Method of recruitment and appointment or election of Trustees

The Trustees term of office is four years but they are eligible for re-appointment at the meeting at which they retire. Both the Chair and Vice-Chair have been elected for a four-year term. The appointment of Trustees will be in line with Articles 50 – 67A of The Articles of Association.

During the period of review, the Trustees held eight Full Board meetings.

The management of the Academy Trust is the responsibility of the Trustees who are appointed and co-opted under the terms of the Articles of Association. The Trustees have created four committees and three Local Governing Bodies, being representative of the schools within the Academy Trust.

The Members will be comprised of:

A representative from Askel Veur
An Incumbent
A Clerk in Holy Orders
A Diocesan Bishop or his representative
The Chairman of the Board of Trustees

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

The Academy School Improvement Lead organises in-house training for Trustees and Local Governing Body members which includes training sessions to keep them updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The management structure consists of three levels; the Trustees and their committees, the Local Governing Bodies and the Senior Leadership Team.

The aim of the management structure is to devolve responsibility and to encourage involvement in decision-making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Local Governing Bodies are responsible to the Trustees for ensuring the Christian Foundation of their schools, engaging with all stakeholders and school improvement.

The Leadership Team is comprised of The Principal, the School Improvement Lead, one Executive Head Teacher and one Head Teacher who control the individual schools on a day-to-day basis, implementing the policies and procedures as laid down by the Trustees and reporting back to them.

The Principal is the Accounting Officer.

Connected Organisations, including Related Party Relationships

A third party Early Years provider, Naturally Learning, has use of part of one of the schools within the Academy Trust and there is a shared use agreement between them and all parties.

There is an Early Years provision on the site at one of the schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of all the schools within the Saints' Way Church of England Multi Academy Trust to provide education to pupils aged 4 to 11.

The aims of the Academy Trust during the year ended 31 August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to develop the Academy sites so that they enable students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Objectives, Strategies and Activities

The key priorities for the year to 31 August 2014 are summarised below:

- to ensure that every child in all of the schools within the Academy Trust enjoys the same high-quality education in terms of resources, tuition and care.
- to raise the standard of education, achievement and progress for all pupils within the Academy Trust.
- to explore the opportunities to improve the performance of all pupils within the Academy Trust by reviewing the quality of the curriculum and organisational structure.
- to audit the quality of teaching and learning together with leadership and management and standards of achievement in order to identify strengths and weaknesses in all of the schools and to implement appropriate action plans.
- to provide value for money for the funds expended.
- to maintain close links with the community.
- to conduct the Academy's business in accordance with high standards of integrity, probity and openness.
- to unite the individual schools from separate entities to become one single organisation.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy offers support to other schools in the form of Premises Compliance Management service, Financial Management Service and School Improvement training and consultancy.

STRATEGIC REPORT

Achievements and Performance

The 2014 Assessment results below indicate the levels achieved by the schools within the Academy.

KS1 Level 2+	Lerryn (4)	St Winnow (5)	St Petroc's (57)	St Tudy (11)	St Mabyn (8)	National 2013
Reading	100%	100%	88%	91%	100%	87%
Writing	100%	100%	75%	81%	100%	83%
Maths	100%	100%	89%	100%	100%	91%
3+						
Reading	25%	33%	32%	18%	38%	27%
Writing	0%	0%	13%	9%	25%	14%
Maths	0%	33%	32%	30%	50%	22%
 KS2 Level 4+ and Level 5+	 Lerryn (5)	 St Winnow (3)	 St Petroc's (58)	 St Tudy (7)	 St Mabyn (16)	 National
Reading	100%	100%	88%	88%	94%	86%
Writing	100%	100%	79%	100%	88%	81%
Maths	80%	100%	90%	83%	88%	84%
5+						
Reading	60%	67%	48%	33%	56%	48%
Writing	20%	67%	16%	17%	25%	28%
Maths	20%	67%	44%	17%	31%	39%

Key Performance Indicators

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers in July 2014 were 681, an increase of 37 over July 2013. It is anticipated that this number will continue to rise.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charging and Remissions, Business Charge Card, Investments and Reserves, Anti-Fraud and Corruption and the LGPS Employer Discretions Policy.

Reserves Policy

The Trustees have agreed a Reserves and Investment Policy that states how the Directors will review and monitor the level of reserves which consist of both restricted and unrestricted funds:

1. Regularly monitor cash flow and current a/c balances to ensure immediate financial commitments can be met (monthly payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of £300,000 is likely to be maintained.
2. The Academy will seek to avoid its current account going overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to higher interest, short-notice account with Lloyds Bank on the advice of the Relationship Manager,
4. Periodically (at least annually) review interest rates and compare with other investment opportunities.
5. The Academy's current policy is to only invest funds in risk free and short-notice accessible deposit accounts.
6. Any change in Policy requires the approval of the Board of Directors via the Resources Committee.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £359,452.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Investment Policy

The Trustees have the ability to invest funds of the Academy Trust as they see fit. The Trustees review the level of reserves on an annual basis. Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the Board of Directors. In April 2014, the Directors deposited £251,000 in a 32-day notice account with Lloyds Bank.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Academy has agreed a Risk Register which has been discussed by Trustees and includes the financial risks to the Academy. The register is regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including stringent review and scrutiny of internal controls by the Audit Committee. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is oversubscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to improve the level of performance of all pupils at all abilities and will continue its efforts to ensure all pupils are prepared for the next phase of education once they leave the Academy Trust from any school.

The Academy's key objectives for the forth-coming year are:

- to implement a detailed monitoring and evaluation schedule for RE and Collective Worship
- to improve the quality of outcomes for pupils
- to implement action plans within individual schools based on the systems and processes of assessment for learning
- to effect rapid and sustained improvement for all pupils

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 9 December 2014 and signed on the board's behalf by:



**Dr J Kidman
Chair of Trustees**

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Saints' Way Church of England Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Kidman, Chair of the Board of Trustees	8	8
Revd Canon D Elkington, Trustee	7	8
Revd Philip Conway, Trustee	6	8
Mrs S Piper, Trustee	7	8
Mr M Slater, Parent Trustee	1	4
Mrs F Corfield, Staff Trustee	8	8
Mrs K Holmes, Staff Trustee	8	8
Mr S Renshaw, Principal	8	8
Mr J Sloan, Vice Chair of Trustees	6	8
Mr B Mitchell, Trustee	0	0
Mrs R Watkins, Chair of LGB St Petroc's School	1	1
Mr D Monks, Chair of LGB St Winnow and Lerryn	1	5
Revd Canon G Minors	2	3
Mrs S Sims	1	1
Mrs C Grigg, Chair of LGB St Mabyrn and St Tudy	1	2
Mrs S Green	2	2

Members comprise of Dr J Kidman, Revd Canon D Elkington, Revd P Conway, Mrs J Brownlow and Mrs J Osborne.

Governance reviews:

The Directors will review the governance structure of the Academy on an annual basis. The next review will be undertaken in September 2015.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

1. To provide guidance and assistance to the Principal, Business Manager and Head Teachers and Board of Directors in all matters relating to budgeting and finance
2. To review on a regular basis resources and policy statements relating to the school improvement and development plan
3. To prepare and present to the Board of Directors for ratification an annual school budget plan incorporating appropriate priorities
4. To ensure that this committee considered 'best value for money' when making recommendations for spending
5. To monitor and advise the Board of Directors on the availability of funding in the event of bids being presented by the SLT and/or other committees
6. To monitor and report to the Board of Directors on a regular basis on budget/cost reports, including INSET and Standard Funds
7. To agree the level of delegation to the Principal and Head Teachers for financial management of the school
8. To receive and respond to periodic audit of the delegated budget and subsequent advice to the Board of Directors
9. To receive and respond to periodic audit of financial procedures regularly undertaken by school management and subsequent notification to the Board of Directors

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Kidman, Chair of the Board of Trustees	5	6
Mr S Renshaw, Principal	5	6
Mr J Sloan, Vice Chair of Trustees	5	6
Mrs R Watkins, Chair of LGB St Petroc's School	2	5
Mrs K Holmes, Staff Trustee	6	6
Mrs C Grigg, Chair of LGB St Mabyn and St Tudy	2	3
Mrs S Gilbert, Business Manager	6	6
Mr D Monks, Chair of LGB St Winnow and Lerryn	1	5
Mrs S Green	2	2

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to:

1. Financial Reporting
To review the actions and judgements of management in relation to the Academy Trust's financial statements, it's operating and financial review.
2. Internal Control and Risk Management
 - i. To review the Academy Trust's procedures for detecting fraud and whistle-blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
 - ii. To review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
 - iii. To monitor the integrity of the Academy Trust's internal financial controls;
 - iv. To review the statement in the annual report and accounts on the Academy Trust's internal controls and risk management framework;
 - v. To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.
3. Internal Audit
To review the effectiveness of the financial procedures and controls.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

4. External Audit
- i. To recommend to the Board of Trustees the appointment or re-appointment of auditors;
 - ii. Consideration of the audit plan, in advance of the field work;
 - iii. To review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgements; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
 - iv. To review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Academy Trust's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr J Kidman, Chair of the Board of Trustees	2	2
Mr S Renshaw, Principal	2	2
Mr J Sloan, Vice Chair of Trustees	2	2
Mrs R Watkins, Trustee	1	2
Mrs K Holmes, Staff Trustee	2	2
Mrs C Grigg, Trustee	1	1
Mrs S Gilbert (Business Manager)	2	2
Mr D Monks, Trustee	1	2
Mrs S Green	1	1

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Saints' Way Church of England Multi Academy Trust for the year 1 September 2013 to 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 Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2013 to 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 SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources 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 Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a twice-yearly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

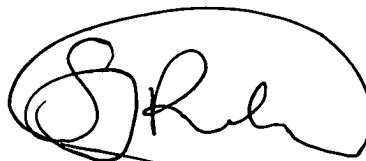
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 9 December 2014 and signed on its behalf, by:



Dr J Kidman
Chair of Trustees



Mr S Renshaw
Accounting Officer

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Saints' Way Church of England Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

A handwritten signature in black ink, appearing to read 'S Renshaw', enclosed within a large, hand-drawn oval.

**Mr S Renshaw
Accounting Officer**

Date: 9 December 2014

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Dr J Kidman
Chair of Trustees**

Date: 9 December 2014

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SAINTS' WAY CHURCH OF ENGLAND
MULTI ACADEMY TRUST**

We have audited the financial statements of The Saints' Way Church of England Multi Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SAINTS' WAY CHURCH OF ENGLAND
MULTI ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 18 December 2014

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 November 2012 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 Saints' Way Church of England Multi Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Saints' Way Church of England Multi Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Saints' Way Church of England Multi Academy Trust and 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 Saints' Way Church of England Multi Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Saints' Way Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 7 December 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 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SAINTS'
WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
(continued)**

CONCLUSION

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



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 18 December 2014

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred from Diocese	2	-	-	9,479,445	9,479,445	297,837
Other voluntary income	2	4,326	17,372	-	21,698	87,106
Activities for generating funds	3	90,335	-	-	90,335	68,531
Investment income	4	686	-	-	686	344
Incoming resources from charitable activities		198,899	3,024,086	48,335	3,271,320	2,425,413
TOTAL INCOMING RESOURCES		294,246	3,041,458	9,527,780	12,863,484	2,879,231
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		46,465	987	-	47,452	27,878
Charitable activities		144,177	3,024,973	362,698	3,531,848	2,264,990
Governance costs	9	-	41,618	-	41,618	73,291
TOTAL RESOURCES EXPENDED	6	190,642	3,067,578	362,698	3,620,918	2,366,159
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		103,604	(26,120)	9,165,082	9,242,566	513,072

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
Transfers between Funds	Note 20	-	(71,631)	71,631	-	-
NET INCOME FOR THE YEAR		103,604	(97,751)	9,236,713	9,242,566	513,072
Actuarial gains and losses on defined benefit pension schemes		-	(270,000)	-	(270,000)	(52,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		103,604	(367,751)	9,236,713	8,972,566	461,072
Total funds at 1 September		255,848	(155,758)	360,982	461,072	-
TOTAL FUNDS AT 31 AUGUST		359,452	(523,509)	9,597,695	9,433,638	461,072

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08269215

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	16		9,556,741		349,790
CURRENT ASSETS					
Debtors	18	144,311		118,349	
Cash at bank		637,195		538,026	
		<u>781,506</u>		<u>656,375</u>	
CREDITORS: amounts falling due within one year	19	<u>(301,609)</u>		<u>(229,093)</u>	
NET CURRENT ASSETS			479,897		427,282
TOTAL ASSETS LESS CURRENT LIABILITIES			10,036,638		777,072
Defined benefit pension scheme liability	26		<u>(603,000)</u>		<u>(316,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>9,433,638</u>		<u>461,072</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	20	79,491		160,242	
Fixed asset funds	20	9,597,695		360,982	
		<u>9,677,186</u>		<u>521,224</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(603,000)</u>		<u>(316,000)</u>	
Total restricted funds			9,074,186		205,224
Unrestricted funds	20		359,452		255,848
TOTAL FUNDS			<u>9,433,638</u>		<u>461,072</u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:



Dr J Kidman
Chair of Trustees



Mr S Renshaw
Accounting Officer

The notes on pages 23 to 44 form part of these financial statements.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	22	145,907	339,597
Returns on investments and servicing of finance	23	686	344
Capital expenditure and financial investment	23	(47,424)	(60,392)
Cash transferred on conversion to an academy trust		-	262,477
INCREASE IN CASH IN THE YEAR		99,169	542,026

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase in cash in the year	99,169	542,026
MOVEMENT IN NET FUNDS IN THE YEAR	99,169	542,026
Net funds/(debt) at 1 September 2013	538,026	(4,000)
NET FUNDS AT 31 AUGUST 2014	637,195	538,026

The notes on pages 23 to 44 form part of these financial statements.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

Transfers between funds relate to the use of the General Annual Grant (GAG) and other restricted funds to purchase fixed assets, and funds to which initial restrictions once applied but ended during the accounting period.

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

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

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

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

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

Sponsorship income 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.

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.

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

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

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

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

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

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

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

All resources expended are inclusive of irrecoverable VAT.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land and property	-	Straight line over the lease term, with maximum of 50 years for buildings
Leasehold improvements	-	Straight line over the shorter of 50 years and the lease term
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

**THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.7 INVESTMENTS

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 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.

1.10 PENSIONS

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

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
Transfer from Local Authority on conversion	-	-	-	297,837
Transfer of school buildings from the Diocese	-	9,479,445	9,479,445	-
	<u>-</u>	<u>9,479,445</u>	<u>9,479,445</u>	<u>297,837</u>
Donations	4,326	17,372	21,698	87,106
	<u>4,326</u>	<u>17,372</u>	<u>21,698</u>	
Voluntary income	<u>4,326</u>	<u>9,496,817</u>	<u>9,501,143</u>	<u>384,943</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Total funds 2014 £	9 Months period Total funds 2013 £
Lettings	1,410	795
External Catering	3,812	-
Consultancy	30,684	25,544
Fees received	51,455	39,915
Other	2,974	2,277
	<u>90,335</u>	<u>68,531</u>

4. INVESTMENT INCOME

	Total funds 2014 £	9 Months period Total funds 2013 £
Bank interest	686	344
	<u>686</u>	<u>344</u>

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
Education	72,837	3,072,421	3,145,258	2,351,507
Nursery	126,062	-	126,062	73,906
	<u>198,899</u>	<u>3,072,421</u>	<u>3,271,320</u>	<u>2,425,413</u>

FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
DfE/EFA grants				
Capital Grants	-	42,780	42,780	11,192
General Annual Grant	-	2,774,342	2,774,342	2,027,262
Start up Grants	-	-	-	150,000
Other DfE/EFA grants	-	234,025	234,025	61,027
Other government grants: capital	-	5,555	5,555	-
	<u>-</u>	<u>3,056,702</u>	<u>3,056,702</u>	<u>2,249,481</u>
Other government grants				
Special Educational Needs	-	15,719	15,719	16,993
Other Government grants non capital	1,705	-	1,705	54,059
	<u>1,705</u>	<u>15,719</u>	<u>17,424</u>	<u>71,052</u>
Other funding				
Internal catering income	58,345	-	58,345	22,887
Income for hosting trainee teachers	2,292	-	2,292	1,182
Sales to students	7,795	-	7,795	4,276
Other	2,700	-	2,700	2,629
	<u>71,132</u>	<u>-</u>	<u>71,132</u>	<u>30,974</u>
	<u>72,837</u>	<u>3,072,421</u>	<u>3,145,258</u>	<u>2,351,507</u>

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. RESOURCES EXPENDED

	Staff costs	Premises	Non Pay Expenditure Other	Total	9 Months period Total
	2014 £	2014 £	2014 £	2014 £	2013 £
Costs of generating voluntary income	13,141	-	34,311	47,452	27,878
COSTS OF GENERATING FUNDS	13,141	-	34,311	47,452	27,878
Direct costs - Education	1,966,718	7,687	449,704	2,424,109	1,462,829
Direct costs - Nursery	81,820	293	9,850	91,963	78,822
Support costs - Education	482,281	160,251	365,729	1,008,261	720,523
Support costs - Nursery	3,282	1,755	2,478	7,515	2,816
CHARITABLE ACTIVITIES	2,534,101	169,986	827,761	3,531,848	2,264,990
GOVERNANCE	18,333	-	23,285	41,618	73,291
	2,565,575	169,986	885,357	3,620,918	2,366,159

7. DIRECT COSTS

	Education	Nursery	Total	9 Months period Total
	£	£	2014 £	2013 £
Pension finance costs	3,000	-	3,000	3,960
Educational supplies	173,921	618	174,539	132,548
Examination fees	4,093	-	4,093	2,384
Staff development	3,841	-	3,841	10,289
Other costs	23,093	-	23,093	11,305
Supply teachers	14,737	-	14,737	2,921
Wages and salaries	1,645,939	69,460	1,715,399	1,140,728
National insurance	74,958	2,315	77,273	74,346
Pension cost	231,084	10,045	241,129	147,475
Depreciation	249,443	9,525	258,968	15,695
	2,424,109	91,963	2,516,072	1,541,651

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8. SUPPORT COSTS

	Education	Nursery	Total	9 Months period Total
	£	£	2014 £	2013 £
Pension finance costs	2,000	-	2,000	2,040
Other costs	-	-	-	3,841
Recruitment and other staff costs	4,214	-	4,214	768
Maintenance of premises and equipment	71,316	78	71,394	55,420
Cleaning	39,078	-	39,078	17,905
Rent and rates	16,105	267	16,372	95,711
Heat and light	36,748	1,671	38,419	31,109
Insurance	69,489	1,636	71,125	45,167
Security and transport	14,589	-	14,589	19,376
Catering	45,726	-	45,726	22,323
Technology costs	37,492	-	37,492	29,002
Office overheads	21,282	-	21,282	12,982
Legal and professional	64,698	-	64,698	147,057
Bank interest and charges	94	-	94	64
Wages and salaries	398,075	2,783	400,858	193,920
National insurance	12,870	56	12,926	8,540
Pension cost	71,336	443	71,779	30,655
Depreciation	103,149	581	103,730	7,459
	<u>1,008,261</u>	<u>7,515</u>	<u>1,015,776</u>	<u>723,339</u>

9. GOVERNANCE COSTS

	Total funds 2014 £	9 Months period Total funds 2013 £
Auditors' remuneration	4,550	4,550
Auditors' non audit costs	18,698	6,300
Legal and Professional	-	17,799
Trustee expenses	37	-
Support staff costs	18,333	44,642
	<u>41,618</u>	<u>73,291</u>

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10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	362,698	23,154
Auditors' remuneration	4,550	4,550
Auditors' remuneration - non-audit	8,748	6,300
Auditors' fees for the March 2014 Accounts Return	9,950	-
	<u> </u>	<u> </u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,145,878	1,382,410
Social security costs	90,610	83,939
Pension costs	314,350	178,130
	<u> </u>	<u> </u>
	2,550,838	1,644,479
Supply teacher costs	14,737	8,159
	<u> </u>	<u> </u>
	2,565,575	1,652,638
	<u> </u>	<u> </u>

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	31	26
Administration and support	53	55
Management	7	3
	<u> </u>	<u> </u>
	91	84
	<u> </u>	<u> </u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	0
	<u> </u>	<u> </u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this member amounted to £8,517 (2013: no employee fell within the above bands).

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12. CENTRAL SERVICES

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

- Finance and administration
- IT services
- Settlement of other shared costs
- Premises management
- School improvement advice

The Academy Trust charges for these services on the following basis:

The full cost of the provision of central services is recharged to the academies proportionately based on pupil numbers.

The actual amounts charged during the year were as follows:

	2014
	£
Lerryn Church of England Primary School	13,564
St Mabyn Church of England Primary School	21,455
St Petroc's Church of England Primary School	136,962
St Tudy Church of England Primary School	19,258
St Winnow Church of England Primary School	8,530
	199,769
Total	199,769

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2013: 3) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2013: £NIL).

During the year ended 31 August 2014, expenses totalling £611 (2013: £1,372) were reimbursed to 3 Trustees (2013: 3).

The Principal and 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 Trust in respect of their role as Trustees. The value of Trustees' gross salaries in the year was as follows: Mr S Renshaw between sixty and sixty-five thousand pounds (9 months to 31 August 2013: forty and forty five thousand pounds); Mrs F Corfield between fifty and fifty-five thousand pounds (9 months to 31 August 2013: between forty and forty five thousand pounds); Mrs K Holmes between fifty and fifty-five thousand pounds (9 months to 31 August 2013: between thirty five and forty thousand pounds); Mrs S Green between fifty and fifty-five thousand pounds (9 months to 31 August 2013: nil). The value of Trustees' pension contributions in respect of defined benefit schemes made in the year was as follows: Mr S Renshaw between five and ten thousand pounds (9 months to 31 August 2013: between five and ten thousand pounds); Mrs F Corfield between five and ten thousand pounds (9 months to 31 August 2013: between five and ten thousand pounds); Mrs K Holmes between five and ten thousand pounds (9 months to 31 August 2013: between five and ten thousand pounds); Mrs S Green less than five thousand pounds.

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14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £257 (2013: £250). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	54,000	26,000
Interest on pension scheme liabilities	(59,000)	(32,000)
	<u>(5,000)</u>	<u>(6,000)</u>

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Leasehold improve- ments £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2013	240,000	49,984	8,764	6,170	68,026	372,944
Additions	-	28,172	-	36,899	25,133	90,204
Transfer on conversion	9,479,445	-	-	-	-	9,479,445
At 31 August 2014	<u>9,719,445</u>	<u>78,156</u>	<u>8,764</u>	<u>43,069</u>	<u>93,159</u>	<u>9,942,593</u>
DEPRECIATION						
At 1 September 2013	-	3,749	1,643	926	16,836	23,154
Charge for the year	313,029	7,815	2,191	8,613	31,050	362,698
At 31 August 2014	<u>313,029</u>	<u>11,564</u>	<u>3,834</u>	<u>9,539</u>	<u>47,886</u>	<u>385,852</u>
NET BOOK VALUE						
At 31 August 2014	<u>9,406,416</u>	<u>66,592</u>	<u>4,930</u>	<u>33,530</u>	<u>45,273</u>	<u>9,556,741</u>
At 31 August 2013	<u>240,000</u>	<u>46,235</u>	<u>7,121</u>	<u>5,244</u>	<u>51,190</u>	<u>349,790</u>

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16. TANGIBLE FIXED ASSETS (continued)

The Academy Trust has been granted use of the school buildings from the Diocese of Truro, under a supplemental agreement that does not require the school to pay rent. That agreement includes a two year notice period and, as a result, in the previous period, the Trustees have not recognised the value of land and buildings in the Academy Trust's accounts. However, such notice is only exercisable if the Academy Trust is not complying with the underlying Trust Deed.

Following the revised guidance in the 'Academies accounts direction 2013 to 2014' (published May 2014), the Trustees have now concluded that the value of land and buildings should be recognised in the accounts. This is on the basis that the Academy Trust is compliant with the Trust Deed, there is no indication that the notice clause will be invoked and the risks and rewards of ownership of the property have transferred to the Academy Trust.

17. TRADING SUBSIDIARY

During the year, the Academy Trust set up a trading subsidiary in order to run trading activities with the intention that its trading surpluses will be gift-aided to the Trust for the benefit of the Academy. The trading subsidiary is operating under the name of The Saints' Way Property Education and Training Limited.

The Academy Trust has not produced consolidated accounts for the year ended 31 August 2014 due to an exemption under FRS2: Accounting for Subsidiary Undertakings, on the grounds of the subsidiary not being material. However, the income and expenditure for the year have been incorporated into the results of the Trust with a resulting net surplus from the trading activities totalling £8,860 included within the Trust's reserves.

18. DEBTORS

	2014	2013
	£	£
Trade debtors	6,936	18,997
VAT recoverable	93,487	9,498
Other debtors	-	200
Prepayments and accrued income	43,888	89,654
	<u>144,311</u>	<u>118,349</u>

19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	24,802	34,306
Other taxation and social security	35,147	33,364
Other creditors	60,066	35,150
Accruals and deferred income	181,594	126,273
	<u>301,609</u>	<u>229,093</u>

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19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£
DEFERRED INCOME	
Deferred income at 1 September 2013	36,287
Resources deferred during the year	115,303
Amounts released from previous years	(36,287)
	<hr/>
Deferred income at 31 August 2014	115,303
	<hr/>

The deferred income above relates to monies received in advance by the Academy in respect of:
Universal Infant Free School Meals (UIFSM) - £58,338;
Funding from the Local Authority to increase the capacity at St Petroc's - £54,085;
Other - £2,880.

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20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	255,848	294,246	(190,642)	-	-	359,452
RESTRICTED FUNDS						
General Annual Grant (GAG)	116,769	2,774,342	(2,824,121)	(38,054)	-	28,936
Special needs funding	-	15,719	(15,719)	-	-	-
Pupil premium	25,715	157,227	(140,311)	-	-	42,631
Start up grant	16,834	-	(4,195)	(12,639)	-	-
PE and sports premium	-	42,585	(42,585)	-	-	-
Universal infant free school meals	-	16,363	(5,797)	(10,566)	-	-
Other restricted funds	924	35,222	(17,850)	(10,372)	-	7,924
Pension reserve	(316,000)	-	(17,000)	-	(270,000)	(603,000)
	(155,758)	3,041,458	(3,067,578)	(71,631)	(270,000)	(523,509)
RESTRICTED FIXED ASSET FUNDS						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred from the LA on conversion	287,301	-	(22,259)	-	-	265,042
School buildings transferred from the Diocese	-	9,479,445	(309,668)	-	-	9,169,777
DfE/EFA capital grants	11,192	42,780	-	(13,018)	-	40,954
Other capital grants	-	5,555	-	(5,555)	-	-
Assets purchased since conversion	62,489	-	(30,771)	90,204	-	121,922
	360,982	9,527,780	(362,698)	71,631	-	9,597,695
Total restricted funds	205,224	12,569,238	(3,430,276)	-	(270,000)	9,074,186
Total of funds	461,072	12,863,484	(3,620,918)	-	(270,000)	9,433,638

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

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. STATEMENT OF FUNDS (continued)

Academy Trust, including education and support costs.

Special Educational Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy Trust to address underlying inequalities faced by disadvantaged children.

Start up grant – This represented one off funding received from the EFA to contribute to the cost of converting to an Academy Trust.

PE and sports premium – The PE and sport premium is designed to help primary schools improve the quality of the PE and sport activities the Academy Trust offer its pupils.

Universal infant free school meals - The Academy Trust has recognised income to the extent that expenditure was incurred during the year in order to meet its obligations to provide free school meals to all its pupil in reception, year 1 and year 2 from September 2014.

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the Academy Trust from the Local Authority on schools converting.

DfE/EFA Capital grants – includes devolved formula capital which represents funding from the EFA to cover the maintenance and purchase of the Academy Trust's assets.

A transfer of £71,631 was made out of restricted funds into the restricted fixed asset fund where restricted revenue funding was used to purchase fixed assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Lerryn Church of England Primary School	88,978
St Mabyn Church of England Primary School	75,110
St Petroc's Church of England Primary School	230,384
St Tudy Church of England Primary School	11,553
St Winnow Church of England Primary School	32,918
	<hr/>
Total before fixed asset fund and pension reserve	438,943
Restricted fixed asset fund	9,597,695
Pension reserve	(603,000)
	<hr/>
Total	9,433,638
	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Lerryn Church of England Primary School	145,894	18,123	14,358	42,941	221,316
St Mabyn Church of England Primary School	238,076	26,434	15,914	49,451	329,875
St Petroc's Church of England Primary School	1,153,246	255,552	107,129	217,369	1,733,296
St Tudy Church of England Primary School	223,072	30,314	16,989	83,247	353,622
St Winnow Church of England Primary School	139,575	18,219	17,296	44,762	219,852
Central services	153,675	168,395	2,853	75,336	400,259
	<u>2,053,538</u>	<u>517,037</u>	<u>174,539</u>	<u>513,106</u>	<u>3,258,220</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	255,848	294,246	(190,642)	-	-	359,452
Restricted funds	(155,758)	3,041,458	(3,067,578)	(71,631)	(270,000)	(523,509)
Restricted fixed asset funds	360,982	9,527,780	(362,698)	71,631	-	9,597,695
	<u>461,072</u>	<u>12,863,484</u>	<u>(3,620,918)</u>	<u>-</u>	<u>(270,000)</u>	<u>9,433,638</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	9 Months period Total funds 2013 £
Tangible fixed assets	-	-	9,556,741	9,556,741	349,790
Current assets	380,069	360,483	40,954	781,506	656,375
Creditors due within one year	(20,617)	(280,992)	-	(301,609)	(229,093)
Pension scheme liability	-	(603,000)	-	(603,000)	(316,000)
	<u>359,452</u>	<u>(523,509)</u>	<u>9,597,695</u>	<u>9,433,638</u>	<u>461,072</u>

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22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	9,242,566	513,072
Returns on investments and servicing of finance	(686)	(344)
Net assets transferred on conversion	(9,479,445)	(297,837)
Depreciation of tangible fixed assets	362,698	23,154
Capital grants from DfE	(42,780)	(11,192)
Increase in debtors	(25,962)	(118,349)
Increase in creditors	72,516	229,093
Defined benefit pension scheme adjustments	17,000	2,000
NET CASH INFLOW FROM OPERATIONS	145,907	339,597

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	686	344
	2014 £	2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(90,204)	(71,584)
Capital grants from DfE	42,780	11,192
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(47,424)	(60,392)

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand:	538,026	99,169	637,195
NET FUNDS	538,026	99,169	637,195

25. 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.

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26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £NIL were payable to the schemes at 31 August 2014 (2013: 34,837) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

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 in summer 2014 takes effect from September 2015.

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26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

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

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £183,000, of which employer's contributions totalled £144,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 19.4% for employers and 5.5% - 9.9% for employees.

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.

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26. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	53.00	579,000	63.00	552,000
Bonds	40.00	437,000	25.00	219,000
Property	6.00	66,000	5.00	44,000
Cash	1.00	11,000	7.00	61,000
Total market value of assets		1,093,000		876,000
Present value of scheme liabilities		(1,696,000)		(1,192,000)
(Deficit)/surplus in the scheme		(603,000)		(316,000)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,696,000)	(1,192,000)
Fair value of scheme assets	1,093,000	876,000
Net liability	(603,000)	(316,000)

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

	2014 £	2013 £
Current service cost	(156,000)	(90,000)
Interest on obligation	(59,000)	(32,000)
Expected return on scheme assets	54,000	26,000
Total	(161,000)	(96,000)

THE SAINTS' WAY CHURCH OF ENGLAND MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Opening defined benefit obligation	1,192,000	-
Current service cost	156,000	90,000
Interest cost	59,000	32,000
Contributions by scheme participants	39,000	26,000
Actuarial Losses	256,000	93,000
Benefits paid	(6,000)	-
Liability transferred on conversion	-	951,000
	1,696,000	1,192,000

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

	2014	2013
	£	£
Opening fair value of scheme assets	876,000	-
Expected return on assets	54,000	26,000
Actuarial gains and (losses)	(14,000)	41,000
Contributions by employer	144,000	98,000
Contributions by employees	39,000	26,000
Benefits paid	(6,000)	-
Asset transferred on conversion	-	685,000
	1,093,000	876,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £270,000 loss (2013: £52,000 loss).

The Academy Trust expects to contribute £191,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	53.00 %	63.00 %
European bonds	40.00 %	25.00 %
Property	6.00 %	5.00 %
Cash	1.00 %	7.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	4.80 %	5.60 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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26. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.2 years	21.3 years
Females	24.4 years	23.4 years
Retiring in 20 years		
Males	24.4 years	23.2 years
Females	26.8 years	25.6 years

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,696,000)	(1,192,000)
Scheme assets	1,093,000	876,000
Deficit	(603,000)	(316,000)
Experience adjustments on scheme liabilities	(256,000)	(93,000)
Experience adjustments on scheme assets	(14,000)	41,000

27. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
EXPIRY DATE:		
Within 1 year	1,225	-
Between 2 and 5 years	6,609	-

28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.