

Lydiate Learning Trust

Governors' Annual Report and Financial
Statements

Year Ended 31 August 2015

*"To exceed in all that we do so that
everyone flourishes and achieves their full
potential"*

*A Company Limited by Guarantee
Registration Number: 07732559
(England and Wales)*

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COMPANIES HOUSE

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees/Members	John Graham – Chair Colin Radcliffe – Vice Chair Graham Hewer Ann Stahler – Executive Headteacher
Governors/Directors	John Graham – Chair/Deyes LGB chair Graham Hewer Sue Doyle – Studio LGB chair Sandra Hiett Tony Olsen Ann Stahler – Executive Headteacher James Kerfoot – Headteacher, Childwall Sports & Science Academy Dean Lythgoe – Headteacher, Studio Peter Duffy – Head of School – Deyes High School Stephen Hughes (non voting) – Director of Finance
Registered Office	Deyes Lane Maghull L31 6DE
Company Registration Number	7732559
Company Secretary	Mrs D Moss
Auditors	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston PR2 5PE
Bankers	Lloyds TSB 1 st Floor, 5 St. Paul's Square Liverpool L39 5JG
Senior Management Team	Mrs A Stahler – Executive Headteacher Mr J Kerfoot – CSSA Headteacher Mr D Lythgoe – Studio Headteacher Mrs W Jack – School Improvement Director Mr P Duffy – Head of School Deyes High School Mr S Hughes – Director of Finance

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

The trustees present their annual report together with the financial statements and Auditor's report of the Charitable Company for the year ended 31st August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

On 01.12.14 the charitable company (previously known as Deyes High Academy Trust) changed its name to Lydiate Learning Trust as the company expanded to create a multi-academy trust.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 36 and comply with company's memorandum and articles of association and applicable laws.

On January 1 2015, Childwall Sports and Science Academy joined the trust.

Structure, Governance & Management

Constitution

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

The trustees of the Lydiate Learning Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Lydiate Learning Trust (company number 7732559).

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trustees are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of Lydiate Learning Trust is to provide quality, free education for young people aged 11-19, who live in the Liverpool City Region.

Method of Recruitment and Appointing or Election of Trustees

All directors of the newly created multi-academy trust have been appointed this year. The Trust will follow processes for any new recruits that are appropriate and use criteria for recruitment based on a review of the existing board membership.

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Policies and Procedures Adopted for the Induction and Training of Governors

The induction, training and support programme for Trustees will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however some general principles outlined below which should be common to all.

- An induction to the role, a tour of the sites and an introduction to members of the Senior Leadership teams will be provided by the Clerk to the Governing Body.
- It is expected that the incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation.
- The Trust's Equality and Diversity and related policies will be applicable to all.
- The other trustees and governors will be informed of any new appointments.
- Every trustee and governor should be prepared to offer support to new trustees as appropriate, in some circumstances it may be advisable to appoint a short term mentor to provide individual support.

Organisational Structure

The management structure consists of three levels: the Board of the Company (Trustees), the Local Governing Body and the Senior Managers of each Academy. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions. The Trustees encourage staff contributions at all levels and collaboration between the schools in the Trust.

The trustees and directors are there to support the local governing body, senior management team and the wider community in the running of the Trust, and have no ambition to run any Academy on a day-to-day basis. Along with the governance role the trustees are there to give support and advice when asked and to be roving ambassadors for both the Trust and what it is trying to achieve.

Connected Organisations including Related Part Relationships

The Trust sponsors both Studio@Deyes and Childwall Sports and Science Academy. The Trust has supported both Academies throughout the year with education advice and support services. Studio@Deyes has been further supported with opening advice and guidance. Childwall Sports and Science Academy became a part of the Trust in December 2014. Studio@Deyes will open its doors to students on 01.09.2016.

Risk Management

The trustees confirm that the major risks to which the Trust is exposed have been reviewed and systems or procedures have been established to manage those risks. The internal control systems and the exposure to risks are considered on a regular basis by management, trustees and governors.

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Objectives and Activities

Objects and Aims

Lydiate Learning Trust was established to provide education for pupils of different abilities between the ages of 11 and 19. The Trust was formed from the Leadership of Deyes High following successful collaborative working and school to school support in the North-West.

The main objectives and aims of the Trust are summarised below;

- to raise the standards of educational achievement of all pupils;
- to ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organizational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The original Academy Trust was set up on 1st October 2011 and became a Multi-Academy-Trust on 1st December 2014, to advance, for the public benefit, education.

The vision and aims of the Trust rest on the following principles:

- place teaching and learning at the centre of all that we do
- make the process of learning vivid, challenging and enjoyable
- determine the needs of every student and set individual targets
- encourage students to be active participants in their own learning
- focus on the development of the whole child
- have high expectations of every member of our School Community
- celebrate and reward success in all aspects of school life
- include everyone and respect difference
- live the School's Core Values
- involve everyone in school improvement by informing, listening, valuing and responding
- maintain an attractive and well-resourced environment which stimulates and supports teaching and learning

Public Benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Lydiate Learning Trust is the maintenance and development of high quality education provided by the Academies within the Trust.

We offer not only a broadly based academic education, but a wide-range of extra-curricular activities and educational trips.

LYDIATE LEARNING TRUST

REPORT OF THE GOVERNORS

STRATEGIC REPORT

Achievements and Performance

Trust Development Plan Objectives 2014/2017

- to ensure the performance of our Academies/Schools improves year on year, demonstrating improved progress for students of all abilities and groups.
- to ensure teaching and learning across the trust will be outstanding
- recruitment and development of our workforce will be further developed to ensure outstanding provision for all our students
- leadership and Guidance across the Trust will be outstanding
- to ensure a robust business plan is in place that supports the schools to deliver outstanding education and learning
- to further enhance the post 16 model of organization, offer leadership and learning

Achievements and Performance

We monitor progress through the Self Evaluation policy and Standards and Achievement Policy. Whilst we value greatly academic achievement and progression whatever a student's starting point, we also pay great attention to the pastoral development and personal welfare of our students.

We presently have two open academies within the Trust, namely Deyes High School and Childwall Sports and Science Academy.

Analysis of Examination Outcomes for the Academic Year 2014/15

Deyes High School

Key Stage 3

Standards remain high in core subjects and achievement in terms of progress and attainment indicates that students are well prepared for KS4.

Key Stage 4

The school shows improved outcomes from 2014 as reflected in national Performance Indicators and RAISE online; attainment in English and Mathematics is consistently above national averages and improving. In 2014/2015 5A*-C including English and Mathematics was 63% (61% in 2013/2014). The EBACC measure has increased from 29% in 2014 to 36% in 2015.

Key Stage 5

Results in 2015 maintained improvements in A2 results across many subjects; many of these being above the national averages with our students making on average more progress than their starting points. Vocational performance is exceptional.

Childwall Sports and Science Academy

Key Stage 3

Standards are improving in core subjects and achievement in terms of progress and attainment indicates that achievement in year 7 in the core is in line or exceeding national averages. Students are much better prepared for KS4.

LYDIATE LEARNING TRUST

REPORT OF THE GOVERNORS

Key Stage 4

The school improved outcomes to go back above the floor from 36% A*-C including English and Mathematics to 43%. English at 65% and Maths at 56% at A*-C is below national averages but there is improvement from 2014.

Key Stage 5

At A2 vocational performance improved greatly with average grade at Distinction* placing the school L3VA in the top 10% of the country for value added. Academic subjects are below national average but improving year on year.

Financial Review

Most of the Trust's income is obtained from the Department for Education via the Education Funding Agency in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Trust. The GAG received during the period covered by this report and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Department of Education, in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £12,018k (excluding depreciation) was covered by grant funding from the Department of Education together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £1,756k

At 31 August 2015 the net book value of fixed assets was £40,421k and movements in tangible fixed assets are shown in note 13 to the accounts. The assets were used exclusively for providing education and the associated support service to pupils of the School.

Financial and risk management objectives and policies

The governors and senior managers complete a regular review of the risks the individual school faces and the systems in place or that needed to be implemented, to mitigate against any of the risk the school faces. The governors now consider systems are in place to mitigate any of the risks identified, the Trustees of the multi-academy trust will conduct a separate review of the Trust risks and uncertainties in early 2016.

Principal Risks and Uncertainties

The Corporate Risk Map Audit in place identified and reviewed the following risk areas

- Safeguarding
- Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial
- Business continuity

LYDIATE LEARNING TRUST

REPORT OF THE GOVERNORS

Reserves policy

The Trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees will endeavour to keep an appropriate level of GAG in reserve that it considers necessary for future operations and any capital projects or capital replacement.

Investment Policy

The Trust investment policy is consistent with its Charitable Status. Investments must always be in accordance with written procedures adopted by the Trustees and must always ensure that the maximum integrity of such investments. The priority for each school is to have cash invested in liquid investment products that bear no risk with its bankers.

Going Concern

After making appropriate enquiries, the Trustees has a reasonable expectation that it 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Auditor

In so far as the Trustees are aware:

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

In accordance with the Companies Act 2006 a resolution proposing the appointment of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as Auditor will be put to the members.

The report of the governors was approved by the governors on 14 DEC 2015
and signed on their behalf by:



Mr J Graham
Chair of Trustees

LYDIATE LEARNING TRUST

REPORT OF THE TRUSTEES

Scope of Responsibility:

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

The board of trustees has delegated the day-to-day to the Executive Head teacher, as accounting officer, for ensuring financial controls conform to 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 Lydiate Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees and any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 1 time during the year. Attendance during the year at meetings of the board of trustees was as follows:

LLT-Trustee

	Appointed	Meetings	Possible	
John Graham	01.11.14	1	1	Chair
Graham Hewer	01.11.14	1	1	
Colin Radcliffe	01.11.14	1	1	
Ann Stahler	01.11.14	1	1	Executive Head teacher

LLT-Directors

John Graham	01.11.14	3	5	Deyes LGB chair
Graham Hewer	01.11.14	4	5	
Colin Radcliffe	01.11.14	3	5	Studio LGB chair
Sue Doyle	01.11.14	0	5	
Sandra Hiatt	01.01.15	4	5	Childwall LGB chair
Tony Olsen	01.01.14	4	5	
Ann Stahler	01.01.14	5	5	Executive Head teacher
James Kerfoot	01.01.15	5	5	Head teacher-CSSA
Dean Lythgoe	01.01.15	5	5	Head teacher- Studio@Deyes
Peter Duffy	01.09.15	0	0	Head of School-Deyes
Stephen Hughes (non voting)	01.11.14	5	5	Director of Finance

Review of value for Money

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

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

LYDIATE LEARNING TRUST

REPORT OF THE TRUSTEES

- Renegotiating contracts when appropriate, the trust uses consortia and its multi-academy trust status to obtain economies of scale where appropriate.
- The trust explores every opportunity to generate income through hire of the schools facilities and applies for any appropriate additional grant funding that may be available.
- The remodelling of staffing structures in individual schools

The Purpose of the System of Internal Control:

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Lydiate Learning 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 at Lydiate Learning Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk:

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

The Risk and Control Framework:

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustee's
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing 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 board of trustees have appointed Moore and Smalley LLP, as Responsible Officer (RO) to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. These checks are carried out to a set schedule on an approximately quarterly basis and reported through the resources committees.

The trustees confirm that the RO has delivered their schedule of work as planned and has been delivered in line with the EFA's requirements.

LYDIATE LEARNING TRUST

REPORT OF THE TRUSTEES

Review of Effectiveness:

As Accounting Officer, the Executive Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Trust Board on 14 DECEMBER 2015

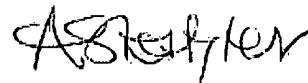
And signed on its behalf by:

Mr J Graham



Chair of Trustees

Mrs A Stahler



Accounting Officer

LYDIATE LEARNING TRUST

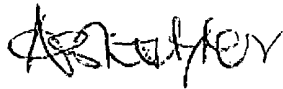
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Trust governing body are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

Mrs A Stahler



Accounting Officer

LYDIATE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

The 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 Governing Body on 14 DEC 2015



Mr J Graham
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LYDIATE LEARNING TRUST
YEAR ENDING ON 31 AUGUST 2015**

We have audited the financial statements of Lydiate Learning Trust for the year ended 31 August 2015 on pages 15 to 36. 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 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other requirement of the Companies Act 2006

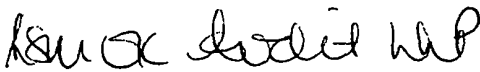
In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LYDIATE LEARNING TRUST
YEAR ENDING ON 31 AUGUST 2015**

Matters on which we are required to report by exception

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

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



Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire

PR2 5PE

Date: 18/12/15

LYDIATE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income – transfer of Childwall Sports & Science Academy	2	-	(1,592)	14,469	12,877	1
Activities for generating funds	3	412	-	-	412	217
Interest receivable	4	3	-	-	3	-
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	10,982	669	11,651	8,245
Other incoming resources	6	384	-	-	384	148
Total incoming resources		799	9,390	15,138	25,327	8,611
Resources expended						
<i>Cost of generating funds:</i>						
<i>Charitable activities:</i>						
Academy's educational operations	8	466	11,415	1,057	12,938	8,265
Governance costs	9	-	137	-	137	29
Total resources expended	7	466	11,552	1,057	13,075	8,294
Net incoming/(outgoing) resources before transfers						
Gross transfers between funds		333	(2,162)	14,081	12,252	317
		-	73	(73)	-	-
Net income/(expenditure) for the year		333	(2,089)	14,008	12,252	317
Other recognised losses/gains						
Actuarial gains on defined benefit pension schemes	22	-	(199)	-	(199)	201
Net movement in funds		333	(2,288)	14,008	12,053	518
Reconciliation of funds						
Total funds brought forward at 1 September 2014		(229)	(2,089)	26,413	24,095	23,577
Total funds carried forward at 31 August 2015	16	104	(4,377)	40,421	36,148	24,095

All of the Trust's activities derive from continuing operations during the above financial period.

A statement of total recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

LYDIATE LEARNING TRUST

BALANCE SHEET at 31 AUGUST 2015

Company Number 07732559

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	13	40,421	26,291
		<u>40,421</u>	<u>26,291</u>
Current assets			
Debtors	14	489	292
Cash at bank and in hand		1,077	585
		<u>1,566</u>	<u>877</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	(1,354)	(995)
		<u>212</u>	<u>(118)</u>
Net current assets/(liabilities)			
Total assets less current liabilities		<u>40,633</u>	<u>26,173</u>
Net assets excluding pension liability		40,633	26,173
Pension scheme liability	22	(4,485)	(2,078)
		<u>36,148</u>	<u>24,095</u>
Net assets including pension liability			
Funds of the academy:			
Restricted funds			
Fixed asset fund	16	40,421	26,413
General fund	16	108	(11)
Pension reserve	16	(4,485)	(2,078)
		<u>36,044</u>	<u>24,324</u>
Total restricted funds			
Unrestricted funds			
General fund		104	(229)
		<u>104</u>	<u>(229)</u>
Total unrestricted funds			
Total Funds		<u>36,148</u>	<u>24,095</u>

The financial statements on pages 15 to 36 were approved by the Trustees, and authorised for issue on 14 DEC 2015 and signed on their behalf by:



Mr J Graham
Chair of Trustees

LYDIATE LEARNING TRUST

CASH FLOW STATEMENT for the year ended 31 AUGUST 2015

	2015 £000	2014 £000
Net income	12,252	317
Cash on transfer of Academy	(855)	-
Depreciation (note 13)	1,057	1,021
Capital grants from DfE and Others	(669)	(1,328)
Interest receivable	(3)	-
FRS 17 pension cost less contributions payable (note 22)	(28)	3
FRS 17 pension finance income (note 22)	81	80
Fixed assets inherited on business combination	(14,469)	-
Pension deficit inherited on business combination	2,155	-
Increase in debtors	(197)	(193)
Increase in creditors	359	536
Net cash (outflow)/inflow from operating activities	<u>(317)</u>	<u>436</u>
Returns on investments and servicing of finance		
Interest received	<u>3</u>	<u>-</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(718)	(1,483)
Capital grants from DfE/EFA	669	1,328
	<u>(49)</u>	<u>(155)</u>
Cash on transfer of Academy	<u>855</u>	<u>-</u>
Increase in cash in the period	<u>492</u>	<u>281</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 September	<u>585</u>	<u>304</u>
Net funds at 31 August	<u>1,077</u>	<u>585</u>

LYDIATE LEARNING TRUST

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

Going concern

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

Incoming resources

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

Grants receivable

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

Donations

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Other income

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

Resources expended

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

Costs of Generated Funds

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

LYDIATE LEARNING TRUST

PRINCIPAL ACCOUNTING POLICIES

- **Charitable activities**
These are costs incurred on the trust's educational operations.
- **Governance costs**
These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 16.

Tangible fixed assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost or valuation

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Long leasehold property	over the remaining lease term
Furniture & equipment	8 years
Computer equipment & software	3 years

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

LYDIATE LEARNING TRUST

PRINCIPAL ACCOUNTING POLICIES

Taxation

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

Pensions

Trust staff are members of one of three pension schemes, two of which are defined benefit schemes and one defined contribution scheme. More details of the schemes are given in note 22.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academies share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Defined contribution scheme

The Trust also operates a defined contribution scheme. The assets of this scheme are held separately from those of the Academy, being invested with insurance companies. The pension costs for the scheme represent the contributions payable by the Trust in the year.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, either as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

1 General Annual Grant (GAG)

The Academies funding agreements contain no limits on the amount of GAG that it is permitted to carry forward.

2	Voluntary Income	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
	Transfer into MAT	-	(1,592)	(1,592)	-
	Transfer into MAT (capital)	-	14,469	14,469	-
	Gifts in kind	-	-	-	1
		-	12,877	12,877	1
3	Activities for Generating Funds	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
	Lettings income	124	-	124	11
	Catering income	288	-	288	206
		412	-	412	217
4	Investment Income	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
	Bank interest	3	-	3	-
5	Funding for Academy's educational operations	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
	DfE/EFA grants				
	General Annual Grant (GAG) (note 1)	-	9,914	9,914	6,643
	Capital grants	-	669	669	1,328
	Other DfE / EFA grants	-	1,068	1,068	239
		-	11,651	11,651	8,210
	Other Government grants				
	Local Authority grants	-	-	-	35
		-	-	-	35
		-	11,651	11,651	8,245

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

6 Other incoming resources	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000	
Sundry income	384	-	384	148	
	<u>384</u>	<u>-</u>	<u>384</u>	<u>148</u>	
7 Resources Expended	Staff Costs £000	Premises Costs £000	Other costs £000	2015 Total £000	2014 Total £000
Trust's educational operations					
- Direct costs	7,880	-	353	8,233	5,461
- Allocated support costs	1,463	538	2,704	4,705	2,804
	<u>9,343</u>	<u>538</u>	<u>3,057</u>	<u>12,938</u>	<u>8,265</u>
Governance costs including allocated support costs	-	-	137	137	29
	<u>9,343</u>	<u>538</u>	<u>3,194</u>	<u>13,075</u>	<u>8,294</u>

Incoming/outgoing resources for the year include:

	2015 £000	2014 £000
Operating leases	-	3
Fees payable to auditor – audit	14	10
– other services	4	3
	<u>4</u>	<u>3</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 18.

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

8 Charitable Activities – Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	2015 Total Funds £000	2014 Total Funds £000
Direct costs				
Teaching and educational staff costs	-	7,880	7,880	4,916
Educational supplies	-	134	134	157
Examination fees	-	219	219	146
Staff development	-	-	-	19
Educational consultancy	-	-	-	218
Other direct costs	-	-	-	5
	-	8,233	8,233	5,461

	Unrestricted funds £000	Restricted funds £000	2015 Total £000	2014 Total £000
Allocated support costs				
Support staff costs	-	1,463	1,463	900
Depreciation	-	1,057	1,057	1,021
Recruitment and other staff costs	-	7	7	18
Heat and light	-	189	189	117
Premises (including building insurance)	-	210	210	164
Catering contract	204	-	204	148
Technology costs	-	62	62	50
Other support and admin expenses	262	1,036	1,298	386
Cleaning	-	12	12	-
Insurance	-	64	64	-
Rent & Rates	-	139	139	-
	466	4,239	4,705	2,804
	466	12,472	12,938	8,265

9 Governance costs	Unrestricted funds £000	Restricted funds £000	2015 Total Funds £000	2014 Total Funds £000
Legal and professional fees	-	119	119	16
Auditors' remuneration	-	-	-	-
- Audit of financial statements	-	14	14	10
- Responsible officer checks	-	4	4	3
	-	137	137	29

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

10 Staff Costs

Staff costs during the period were:	2015 £000	2014 £000
Wages and salaries	7,506	4,718
Social security costs	518	318
Other pension costs	1,046	628
	<u>9,070</u>	<u>5,664</u>
Supply teacher costs/other	273	152
	<u>9,343</u>	<u>5,816</u>

The average number of persons (including Senior Leadership Team) employed by the Trust during the period expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Charitable Activities		
Teachers	131	84
Education support	86	51
Administration	23	12
Management	17	8
	<u>257</u>	<u>155</u>

Three employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2015. The total emolument of this employee was in the following range:

	2015 No.	2014 No.
£60,000 - £70,000	3	2
£100,000 - £110,000	-	1
£120,000 - £130,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2015, pension contributions to the TPS for these employees amounted to £35,508 (2014: £33,756) and to the LGPS for these employees amount to £10,801 (2014: £nil).

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

11 Related Party Transactions – Governors' Remuneration and Expenses

Accounting Officer and staff governors only receive remuneration in respect of services they provide under the roles of Principal and staff members and not in respect of services as governors.

The value of staff governors remuneration during the year was as follows:

Mrs A Stahler	£120,001 - £125,000 (2014: £105,001 - £110,000)
Mr J Kerfoot	£55,001 - £60,000 (2014: £nil)
Mr D Lythgoe	£40,001 - £45,000 (2014: £nil)
Mr M Heywood	£0 - £10,000 (2014: £40,001 - £45,000)
Mr A Jones	£0 - £10,000 (2014: £35,001 - £40,000)
Mrs C O'Mara	£0 - £10,000 (2014: £20,001 - £25,000)

During the period ended 31 August 2015, travel and subsistence expenses totalling £1,130.24 (2014: £nil).

Other related party transactions involving the trustees are set out in note 23.

12 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was included in the insurance cost for the period.

13 Tangible Fixed Assets

	Long Leasehold Land and buildings £000	Furniture & equipment £000	Computer equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2014	26,336	2,076	771	-	29,183
Additions	15,073	36	62	16	15,187
Transfers	-	-	-	-	-
At 31 August 2015	<u>41,409</u>	<u>2,112</u>	<u>833</u>	<u>16</u>	<u>44,370</u>
Depreciation					
At 1 September 2014	1,438	745	709	-	2,892
Charged in year	731	263	60	3	1,057
At 31 August 2015	<u>2,169</u>	<u>1,008</u>	<u>769</u>	<u>3</u>	<u>3,949</u>
Net book values					
At 31 August 2015	<u>39,240</u>	<u>1,104</u>	<u>64</u>	<u>13</u>	<u>40,421</u>
At 31 August 2014	<u>24,898</u>	<u>1,331</u>	<u>62</u>	<u>-</u>	<u>26,291</u>

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

14 Debtors	2015	2014
	£000	£000
Trade debtors	94	1
Other debtors	89	-
Prepayments and accrued income	75	51
VAT recoverable	231	240
	<u>489</u>	<u>292</u>
15 Creditors: amounts falling due within one year	2015	2014
	£000	£000
Trade creditors	296	476
Other creditors	301	219
Accruals	557	300
Other tax and social security	200	-
	<u>1,354</u>	<u>995</u>

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

16 Funds

	At 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2015 £000
General Annual Grant (GAG)	(11)	9,914	(9,868)	73	108
Other DfE/EfA grants	-	1,631	(1,631)	-	-
	<u>(11)</u>	<u>11,545</u>	<u>(11,499)</u>	<u>73</u>	<u>108</u>
Pension Reserve	(2,078)	(2,155)	(53)	(199)	(4,485)
	<u>(2,089)</u>	<u>9,390</u>	<u>(11,552)</u>	<u>(126)</u>	<u>(4,377)</u>
Fixed asset funds					
DfE capital grants	2,375	669	-	(73)	2,971
Capital expenditure from GAG	202	-	-	-	202
Transfer from local authority on conversion	23,836	14,469	(1,057)	-	37,248
	<u>26,413</u>	<u>15,138</u>	<u>(1,057)</u>	<u>(73)</u>	<u>40,421</u>
Total restricted funds	<u>24,324</u>	<u>24,528</u>	<u>(12,609)</u>	<u>(199)</u>	<u>36,044</u>
Unrestricted funds					
Unrestricted funds	(229)	799	(466)	-	104
Total funds	<u>24,095</u>	<u>25,327</u>	<u>(13,075)</u>	<u>(199)</u>	<u>36,148</u>

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

Restricted general fund

This fund represents grants received for the Academies operational activities and development.

Restricted fixed asset fund

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building Project.

The Academies funding agreements contains no limits on the amount of GAG that it is permitted to carry forward.

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	2015 £'000	2014 £'000
Deyes High School	(126)	(240)
Childwall Sports and Science Academy	338	-
Total before fixed assets and pension reserve	<u>212</u>	<u>(240)</u>
Restricted fixed asset fund	40,421	26,413
Pension reserve	(4,485)	(2,078)
Total funds	<u>36,148</u>	<u>24,095</u>

Analysis of academies by cost

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

	Staff costs £000	Premises costs £000	Other costs £000	Total £000
Deyes High School	6,061	345	1,647	8,053
Childwall Sports and Science Academy	3,282	193	1,272	4,747
Central trust costs	-	-	138	138
	<u>9,343</u>	<u>538</u>	<u>3,057</u>	<u>12,938</u>

17 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted general fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Total £000	2014 Total funds £000
Tangible fixed assets	-	-	40,421	40,421	26,291
Current assets	104	1,462	-	1,566	877
Current liabilities	-	(1,354)	-	(1,354)	(995)
Pension scheme liability	-	(4,485)	-	(4,485)	(2,078)
Total net assets	<u>104</u>	<u>(4,377)</u>	<u>40,421</u>	<u>36,148</u>	<u>24,095</u>

18 Capital commitments

	2015 £000	2014 £000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>608</u>

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

19 Financial commitments

Operating leases

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

	2015 £000	2014 £000
Other		
Expiring within two and five years inclusive	<u>4</u>	<u>3</u>
	<u>4</u>	<u>3</u>

20 Contingent Liabilities

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

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

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

21 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.

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations

The Academies employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

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

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £784,000 (2014: £478,000).

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

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

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £490,000. (2014: £280,000), of which employer's contributions totalled £387,000. (2014: £217,000) and employees' contributions totalled £103,000 (2014: £63,000). The agreed contribution rates for future years are 18.1% per cent for employers and 6.7% per cent for employees.

FRS 17

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.7%	3.6%
Rate of increase for pensions in payment / inflation	2.2%	2.1%
Discount rate for scheme liabilities	3.9%	3.9%
Inflation assumption	2.2%	2.1%

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.4	22.3
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	28.1	28.0

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations (continued)

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

	Long-term rate of return expected at 31 August 2015 %	Value at 31 August 2015 £000	Long-term rate of return expected at 31 August 2014 %	Value at 31 August 2014 £000
Equities	6.5%	2,523	7.0%	1,554
Gilts	2.5%	580	2.9%	354
Bonds	3.6%	218	3.8%	59
Property	6.1%	361	6.2%	201
Cash	0.5%	121	0.5%	114
Other	6.5%	394	7.0%	300
Total market value of assets		4,197		2,582
Present value of scheme liabilities				
- Funded		(8,682)		(4,660)
Deficit in the scheme		(4,485)		(2,078)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

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

The actual return on the scheme assets in the year was £89,000 (2014: £159,000).

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations (continued)

Total expenditure recognised in the Statement of Financial Activities

	2015 £000	2014 £000
Current service cost	359	220
Total operating charge	<u>359</u>	<u>220</u>

Analysis of pension finance cost

Interest on obligation	(272)	(158)
Expected return on Scheme assets	191	78
Pension finance cost	<u>(81)</u>	<u>(80)</u>

Actuarial gains

	2015 £000	2014 £000
Actuarial losses/(gains) on assets	101	(1,087)
Actuarial losses on liabilities	98	886
Change in the financial and demographic assumptions underlying the present value	-	-
Actuarial loss/(gain) recognised in STRGL	<u>199</u>	<u>(201)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £159,000 loss (2014: £40,000 loss).

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations (Continued)

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

	2015 £000	2014 £000
Scheme liabilities at 1 September	4,660	3,429
Current service cost	359	220
Contributions by scheme participants	103	63
Interest cost	272	158
Benefits paid	(149)	(96)
Curtailments	-	-
Actuarial loss	98	886
Business Combinations	3,339	-
Scheme liabilities at 31 August	8,682	4,660

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

	2015 £000	2014 £000
Fair value of scheme assets at 1 September	2,582	1,233
Expected return on scheme assets	191	78
Contributions by employer	387	217
Contributions by scheme participants	103	63
Benefits paid	(149)	(96)
Actuarial gains	(101)	1,087
Business combinations	1,184	-
Fair value of scheme assets at 31 August	4,197	2,582

Movement in deficit during year

	2015 £000	2014 £000
Deficit of 1 September	(2,078)	(2,196)
Current service cost	(359)	(220)
Curtailments and settlements	-	-
Employer contributions	387	217
Net interest/return on assets	(81)	(80)
Actuarial (loss)/gain	(199)	201
Business combinations	(2,155)	-
Deficit in scheme at 31 August	(4,485)	(2,078)

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

22 Pension and similar obligations (Continued)

The five year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Defined benefit obligation at end of the period	8,682	4,660	3,429	3,075
Fair value of plan assets at end of the period	<u>(4,197)</u>	<u>(2,582)</u>	<u>(1,233)</u>	<u>(900)</u>
Deficit at end of the period	<u>4,485</u>	<u>2,078</u>	<u>2,196</u>	<u>2,175</u>
Experience adjustments on Scheme assets	(101)	1,087	76	734
Experience adjustments on Scheme liabilities	-	(626)	-	(351)

Projected pension expense for the year to 31 August 2016 is £451,000.

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

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. This guarantee came into force on 18 July 2013.

23 Related Parties

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the year, goods were purchased from Data Radio Limited, a company owned by Tony Olsen, who is also a member of the Academy Trust, totalling £1,040 (2014: £nil). These purchases were on a commercial basis.

Transactions with the EFA are detailed in note 5.

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2015

24 Business combinations

During the year, Childwall Sports and Science Academy as brought into the Trust from a previous Multi Academy Trust. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds £000	Restricted general fund £000	Restricted fixed asset funds £000	Total £000
Tangible fixed assets	-	-	14,469	14,469
Net assets	-	563	-	563
LGPS pension surplus / deficit	-	(2,155)	-	(2,155)
Net assets	-	(1,592)	14,469	12,877

The Trust acquired £855k of cash reserves on the transfer of the Academy.

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

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

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

Respective responsibilities of Lydiate Learning Trust accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the 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.

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

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

Conclusion

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



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Date: 18/12/15