

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members

John O'Shea, Chairman ¹
Rachel Pritchard ^{1 2}
Andrew Smith ^{1 2}

Trustees

Gavin Bradley ²
Nick Ridley
Jo Olley ²
Alison Fiala
Chris Smith
Simon Pratt-Adams

¹ Member & Trustee

² Member of the Financial committee at local governing body level

Company secretary Brait Ltd

Senior Management Team:

Lyons Hall Primary School

Andrew Smith Headteacher
Rachel Pritchard Deputy Headteacher

White Hall Academy

Andrew Smith Executive Headteacher
Gavin Bradley Headteacher
Ellie Eames Deputy Headteacher

Braiswick Primary School

Andrew Smith Executive Headteacher
Lorraine Laudrum Headteacher
Nicola Whybrow Deputy Headteacher

Principal and registered office

Lyons Hall Primary School
Deerleap Way
Braintree
Essex
CM79FH

Company registered number

07984238 (England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Independent auditors

MHA MacIntyre Hudson
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Lloyds Bank Commercial Banking
PO Box 1000
BX1 1LT

Solicitors

Brait Limited
67 Lapins Lane
Kings Hill
West Mailing
Kent
ME19 4LE

**LEARNING PATHWAYS ACADEMY
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Learning Pathways Academy (the academy) for the year ended 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates 2 primary academies in Braintree and Clacton. Its academies have a combined pupil capacity of 1,080 and had a roll of 1,079 in the school census on 15 January 2015. The trust opened a third school in Colchester on 1 September 2015.

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 Learning Pathways Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning Pathways Academy.

The two academies within the Learning Pathways academy trust are Lyons Hall Primary School and White Hall Academy. The trust also opened Braiswick Primary School on 1 September 2015. 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 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

Academy insurers encompass all relevant insurance including Trustees third party indemnity provision. In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited and appointed or elected as outlined in the academies articles of association paragraphs 45-63.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction programme for new Trustees would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to their role. The Board of Trustees meet regularly and any training needs are identified at this time. Trustees will receive training on all matters necessary to enable them to perform their duties effectively.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Risk management

The academy trust maintains a risk register identifying the major risks, to which the academy trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board and Governing Bodies. The principal risks facing the trust at a contextual level are outlined below in the principal risks and uncertainties section; those facing the trust at an operational level are addressed by its systems and by internal financial and other controls.

The trustees report that the academy's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

Principal activities

The Academy Trust's principal activities are set out in its articles of association and funding agreement. The principal activity of the Academy Trust is to make arrangements to ensure a broad and balanced curriculum is delivered for pupils from ages 2 to 11 years.

Organisational Structure

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, capital expenditure and senior staff appointments.

The Trustees have delegated responsibilities to local governing body committees as outlined in each committee's terms of reference. These committees are Finance & Premises and Curriculum & Personnel.

The leadership team consisted of the following:

Lyons Hall Primary School

Andrew Smith	Headteacher
Rachel Pritchard	Deputy Headteacher

White Hall Academy

Andrew Smith	Executive Headteacher
Gavin Bradley	Headteacher
Ellie Eames	Deputy Headteacher

Braiswick Primary School

Andrew Smith	Executive Headteacher
Lorraine Laudrum	Headteacher
Nicola Whybrow	Deputy Headteacher

The team control the Academies at an executive level implementing policies and reporting to the Trust Board. The Leadership Team is responsible for the day to day operation of the Academies, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The CEO is the Accounting Officer.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Related Parties and other Connected Charities and Organisations

Learning Pathways Academy is part of the Professional Learning Network Teaching School Alliance which promotes the training and development of teachers both within the network of schools and beyond. Its focus is also to deliver the National College of Teaching and Learning's 'Big 6';

1. Recruitment and training of new entrants to the profession.
2. Peer-to-peer professional and leadership development.
3. Identify and develop leadership potential.
4. School to school support.
5. Designate and broker specialist leaders of education.
6. Engage in research and development.

Little Stars nursery (based at White Hall Academy, with a separate Ofsted registration) offers provision for 2 year olds.

Lyons Hall Primary School works with Anglia Ruskin University for the provision of school leadership training and student teacher placements.

Thinksay Communications has developed new websites for all the academies in the Trust. This contract was agreed in early 2014 as part of the bid for Braiswick Primary School where pricing for marketing and communications was required. Nick Ridley was elected Chair of White Hall Academy governing body in October 2014.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust will provide:

- Excellence in standards for all members of the Academy Community pursued with courage and relentless commitment.
- Collaboration at every level between individuals, teams and academies.
- Outstanding leadership at all levels; valuing and nurturing the contribution of every member of the academy community and planning for succession.
- Outstanding continuous professional development at all levels.
- An outward looking culture - searching for even better answers and innovating with courage.

The Trust will:

- Value the unique identity of each member of the Trust community.
- Underpin all of the above with a strong moral purpose.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Academies within the trust will provide:

- Successful and aspirational learning
- Learning provision that actively engages all pupils and offers a sense of fulfilment, enjoyment and challenge.
- Personalised learning that gives enjoyable opportunities for creativity and problem solving.
- Active learning in which there are rich opportunities for learning outside the classroom.
- A resource rich environment that reflects the needs of the pupils and adults.
- Pupil involvement in learning with a strong focus on learning to learn and responsiveness to different learning styles.
- High expectations for learning and behaviour which manifest in a strong ethos of mutual respect from and for all members of the school and wider community.
- A curriculum that is responsive to a changing world
- A strong focus on the individual and SEAL which is embedded in the curriculum.
- An ICT rich, real and virtual environment with a strategic approach to the development of aspirations.
- A positive, physical and emotional learning environment which is safe and nurturing.
- A supportive environment in which children are open to new experiences and feel able to take risks and celebrate mistakes as learning opportunities.
- Support for all members of the community in the continuing skills for life development in order to make a positive contribution locally.
- A highly inclusive environment where every member of the school community is able to access learning and support.
- A focus for sustained extended school services and multi-agency support to all support groups to achieve their potential.
- A strong collaborative ethos, within and between the staff, pupils and the wider community which manifests itself in teamwork, partnerships and learning with and from each other.

Objectives, Strategies and Activities

Objectives for the Academic Year 2015/16:

1. To improve the quality of teaching
2. To improve the rates of progress and attainment
3. To ensure Pupil Premium children make better than expected progress
4. To support the establishment and growth of Braiswick Primary School to good or outstanding
5. To work in partnership with Essex LA and other agencies to improve education across Essex and beyond
6. To help develop a clear system of support for children at risk of exclusion and within alternative provisions to reintegrate effectively into mainstream education (GROW project).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Strategies to achieve objectives:

1. Strategic and effective recruitment plan for new staff
2. Collaboration and sharing of resources and expertise across the Trust
3. At senior management expanding into governor level the development and understanding of the trust principles and practices (facilitated by Paul Lincoln and Sue Kerfoot)
4. Developing and Outstanding Teacher Programme
5. Maths Mastery
6. Captured
7. Talk for Writing
8. Kagan
9. Visible Learning
10. Coaching
11. Developing phonics
12. Teaching School status

Public Benefit

The key public benefit delivered by Learning Pathways Academy is to maintain and develop the high quality educational provision for children in Braintree, Clacton and Colchester.

STRATEGIC REPORT

Achievements and performance

Lyons Hall Primary School

Overall achievement at this school is outstanding because:

- The proportion of children attaining level 4 and 5 at the end of KS2 is consistently above the national average over a sustained period of time.
- The proportion of children reaching the expected standard in the phonics screening test is well above the national average.
- Taking account of their starting points the proportion of pupils who make and exceed expected progress is above the national average.
- Pupils achieve well because they demonstrate good learning behaviours.

White Hall Academy

Overall achievement at this school is good because:

- From the pupils starting points they make strong and sustained progress across the subjects including English and Maths.
- The number of children exceeding expected progress is above the national figure in reading and writing, and in line for Maths.
- Pupils make rapid progress from well below age related expectations on entry to Early Years to achieve outcomes close to or above national expectations.
- Disadvantaged pupils progress is at least in line or better than similar pupils nationally and similar to the performance of all pupils.
- The year 1 phonics test results are above the national average 86% in 2015

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TRUSTEES' REPORT (continued)
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Key Performance Indicators

Lyons Hall Primary School

Key Stage 1	School 2014	National 2014	School 2015	National 2015
Reading				
2+	98%	90%	95%	90%
2b+	88%	81%	88%	82%
3+	33%	31%	38%	32%
Writing				
2+	92%	86%	92%	88%
2b+	73%	70%	77%	72%
3+	22%	16%	25%	18%
Maths				
2+	95%	92%	97%	93%
2b	85%	80%	88%	82%
3+	28%	24%	28%	26%

Year 1 Phonics Test	School 2014	National 2014	School 2015	National 2015
Pupils passed	83%	74%	90%	77%

Key Stage 2	School 2014	National 2014	School 2015	National 2015
Reading				
4+	90%	89%	100%	89%
4b+	86%	78%	98%	80%
5+	66%	49%	63%	48%
Writing				
4+	90%	85%	98%	87%
4b+	N/A	U	93%	U
5+	44%	33%	51%	36%
6	5%	2%	2%	2%
Maths				
4+	90%	86%	100%	87%
4b+	93%	76%	97%	77%
5+	76%	42%	63%	41%
6	14%	9%	20%	9%
SPAG				
4+	95%	76%	98%	80%
4b+	90%	68%	93%	73%
5+	76%	52%	76%	55%
6	12%	4%	7%	4%
Combined				
4+	86%	79%	98%	90%
4b+	85%	67%	97%	U
5+	42%	24%	39%	24%

Progress KS1 to KS2

Reading	Writing	Maths
2 levels 100%	2 levels 100%	2 levels 100%
3 levels 41%	3 levels 54%	3 levels 64%

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White Hall Academy

Key Stage 1	School 2014	National 2014	School 2015	National 2015
Reading				
2+	82%	90%	88%	90%
2b+	71%	81%	72%	82%
3+	29%	31%	24%	32%
Writing				
2+	84%	86%	78%	88%
2b+	67%	70%	48%	72%
3+	20%	16%	10%	18%
Maths				
2+	89%	92%	89%	93%
2b	75%	80%	70%	82%
3+	25%	24%	23%	26%

Year 1 Phonics Test	School 2014	National 2014	School 2015	National 2015
Pupils passed	80%	74%	86%	77%

Key Stage 2	School 2014	National 2014	School 2015	National 2015
Reading				
4+	78%	89%	82%	89%
4b+	62%	78%	74%	80%
5+	22%	49%	28%	48%
Writing				
4+	82%	85%	85%	87%
4b+	58%	U	71%	U
5+	20%	33%	25%	36%
6	-	-	-	2%
Maths				
4+	75%	86%	87%	87%
4b+	52%	76%	73%	77%
5+	13%	42%	32%	41%
6	-	-	-	9%
SPAG				
4+	57%	76%	68%	80%
4b+	50%	68%	62%	73%
5+	30%	52%	44%	55%
6	-	4%	-	4%
Combined				
4+	68%	79%	79%	90%
4b+	40%	67%	64%	U
5+	7%	24%	13%	24%

Progress KS1 to KS2

Reading	Writing	Maths
2 levels 94%	2 levels 99%	2 levels 92%
3 levels 42%	3 levels 45%	3 levels 28%

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TRUSTEES' REPORT (continued)
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The Trust uses the following key performance indicators for financial elements of the school organisation:

- Current Reserve & Contingencies
- Total payroll as a % of GAG income
- % payroll split Teaching: Non-Teaching
- Cash flow balance

The cash flow has remained positive and the Trust has a buffer for future years. Whilst the total payroll percentage to GAG funding is higher than average this does not reflect the additional income generated from school to school support, SEN funding and course income.

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 Statement of Accounting Policies.

FINANCIAL REVIEW

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31 August 2015 the Academy Trust received £3,863,557 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the academies primary objective of the provision of education.

The Trust approved the Finance Regulations, Trust Board Terms of Reference and local governing body delegated authority.

During the 2013/14 year Lyons Hall Primary School was allocated a grant of £380,000 from the ACMF and funding of £135,000 from Essex County Council towards the building project to add four additional classrooms, music room, office and group rooms. This work was completed in December 2014 with the final balance of funds for this received in May 2015.

Funds of £130,390 was received by the Professional Learning Network from the National College of Teaching and Learning for; delivery of the 'Big 6', school to school support, Initial Teacher Training, NQT support and development and Early Years project.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Reserves Policy

The Trustees review the cash reserve levels of the Academy. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees believe that the current reserve level provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £243,758 and restricted reserves is £614,354 (excluding pension funds).

Plans for expenditure with regard to the carry forward are:

Lyons Hall Primary School

- Additional staffing capacity for school to school support
- Expansion to three form entry across all year groups.

White Hall Academy

- Provision for continuing increased pupil numbers.

This will leave sufficient reserves to cover staffing costs or emergency building works should there be a delay in the receipt of grants.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy Trust is recognising a significant pension fund deficit of £1,591,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy has made payments of £51,000 during the year towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

At 31 August 2015 the total funds comprised:

Unrestricted	243,758
Restricted: Fixed asset funds	7,705,618
GAG	282,209
Pension reserve	(1,591,000)
Other	332,145
	<u>6,972,730</u>

Investment Policy

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Principal Risks and Uncertainties

The trustees assess the principal risks and uncertainties facing the Academy as follows:

Staff retention and recruitment:

The quality of staff (both teaching and support) is crucial in sustaining the high achievements of the academies. An important factor in addressing this risk is the academies emphasis on high quality, personalised professional development for all staff.

Falling rolls:

Highly unlikely. Both academies within the trust are increasingly oversubscribed and have been approached by Essex County Council regarding increasing the NOR for at least another 2 years.

Budget constraints:

We are now in a period of constrained public spending on education. It will be important to balance expenditure on educational provision with available funding and reserves.

Braiswick Primary:

Future growth of pupil numbers will be difficult to predict but a guarantee of minimum funding from Essex County Council for the next two years has been received.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue striving to improve the levels of performance of all pupils at all levels. The Trustees recognise that through good financial management they will be able to invest in and improve the quality of educational provision.

Following the successful opening of Braiswick Primary School on 1st September 2015 the Trust will continue to work with Essex County Council to ensure the maintained growth of the school balanced with financial stability.

The Academy Trust will continue working in partnership with Essex Local Authority and local schools to develop educational opportunities for children in Essex including executive headships and secondments.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

North East Braintree Inclusion Network is a cluster of Primary schools funding the ETAMHS project (Essex TArgeting eMotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance at 31 August 2015 is £199,546.

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**TRUSTEES' REPORT (continued)
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Auditor

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2015 and signed on the board's behalf by:

.....

John O'Shea

Chair of Trustees

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Learning Pathways Academy 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 CEO, 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 Learning Pathways Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 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
John O'Shea, Chairman	3	3
Rachel Pritchard	3	3
Andrew Smith	3	3
Gavin Bradley	3	3
Nick Ridley	2	3
Jo Olley	3	3
Alison Fiala	2	3
Chris Smith	1	3
Simon Pratt-Adams	3	3
Lorraine Laudrum	1	1

Nick Ridley was appointed as Chair of White Hall Academy governing body on 20th November 2014 and therefore joined the board of trustees. Lorraine Laudrum joined the board in July 2015 following her appointment as headteacher of Braiswick Primary School.

Responsibility is delegated to the local governing bodies through finance committees. There are representatives from both schools on the board of trustees which have therefore removed the need for a subcommittee of the Trust. The Trust has however bought back into the local authority internal audit package and a governor from each school acts as a liaison with the governing body and the auditor in the role of responsible officer. Reports from these reviews are presented at the local governing body meetings and any exceptions are further reviewed by the board of trustees.

In June the CEO discussed with the regional commissioner, Tim Coulson, the make-up of the board of trustees and the roles within. It was agreed by Mr Coulson that the trust had the breadth of knowledge and experience to run an effective trust.

The senior leadership team have worked with Paul Lincoln and Sue Kerfoot to review the governance of the trust and compile a set of 'non-negotiables' through the development of its' Vision and Values.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF VALUE FOR MONEY

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

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

- The purchase of resources across the whole Trust thereby securing economies of scale, for example Maths Mastery, which is already having an impact on learning across all three schools
- Continually monitoring pupil progress and achievement against both internal targets and national levels. Ensuring staff are deployed effectively across the Trust to provide high quality teaching and learning, adult-pupil ratio and curriculum management.
- Obtaining quotes for goods and services above £5000, reviewing annual contract prices and switching suppliers where better value is available.
- At every level across the Trust, applying the four principles of best value; Challenge, Compare, Consult, Compete.

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 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 Learning Pathways Academy for the period 1 September 2014 to 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 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 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 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:

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 trust has bought in the local authority's Internal Controls Evaluation service which gives advice on financial matters and performs a range of checks on the academy trust's financial systems.

In particular, the checks carried out in the current period included:

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

On a termly basis the board of trustees receive reports, through the finance committees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The schedule of works was delivered as planned and findings and any remedial action has been presented to the local governing bodies and board of trustees for review.

REVIEW OF EFFECTIVENESS

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the local governing body Finance Committees 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 2 December 2015 and signed on its behalf by:

.....
John O'Shea

Chair of Trustees

.....
Andrew Smith

Accounting Officer

LEARNING PATHWAYS ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Learning Pathways Academy 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 (2014).

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 (2014).

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.

Andrew Smith
Accounting Officer

Date: 2 December 2015

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Learning Pathways Academy and are also the directors of the charitable company for the purposes of company law) is 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 he is 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 is 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;
- 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 is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 is 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. He is also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 2 December 2015 and signed on its behalf by:

John O'Shea
Chair of Trustees

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEARNING PATHWAYS ACADEMY

We have audited the financial statements of Learning Pathways Academy for the year ended 31 August 2015 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 2014 to 2015 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 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.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEARNING PATHWAYS ACADEMY

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.

James Gare ACA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE
Date:

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 February 2015 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 Learning Pathways Academy during the year 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 Learning Pathways Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning Pathways Academy 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 Learning Pathways Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LEARNING PATHWAYS ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Learning Pathways Academy's funding agreement with the Secretary of State for Education dated 30 March 2012, 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 year 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 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.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date:

LEARNING PATHWAYS ACADEMY
(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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed assets 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	8,122	-	-	8,122	1,369
Activities for generating funds	3	381,238	243,622	-	624,860	701,322
Investment income	4	2,184	-	-	2,184	2,884
Incoming resources from charitable activities	5	-	5,792,444	485,487	6,277,931	4,881,018
Other incoming resources	6	62,198	57,532	-	119,730	131,108
TOTAL INCOMING RESOURCES		453,742	6,093,598	485,487	7,032,827	5,717,701
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising trading		67,881	-	-	67,881	71,676
Charitable activities	8	410,835	5,972,077	268,424	6,651,336	6,048,654
Governance costs	9	-	15,167	-	15,167	15,215
TOTAL RESOURCES EXPENDED	7	478,716	5,987,244	268,424	6,734,384	6,135,545
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(24,974)	106,354	217,063	298,443	(417,844)

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed assets 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	19	-	(361,817)	361,817	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(24,974)	(255,463)	578,880	298,443	(417,844)
Actuarial gains and losses on defined benefit pension schemes		-	(5,000)	-	(5,000)	(157,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(24,974)	(260,463)	578,880	293,443	(574,844)
Total funds at 1 September 2014		268,732	(716,183)	7,126,738	6,679,287	7,254,131
TOTAL FUNDS AT 31 AUGUST 2015		243,758	(976,646)	7,705,618	6,972,730	6,679,287

All activities relate to continuing operations.

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

The notes on pages 27 to 50 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07984238

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		7,705,618		7,184,820
CURRENT ASSETS					
Stocks	16	8,177		11,708	
Debtors	17	158,278		226,525	
Cash at bank and in hand		1,148,504		1,011,694	
			<u>1,314,959</u>	<u>1,249,927</u>	
CREDITORS: amounts falling due within one year	18	(456,847)		(315,460)	
NET CURRENT ASSETS			<u>858,112</u>		934,467
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,563,730</u>		8,119,287
Defined benefit pension scheme liability	24		<u>(1,591,000)</u>		(1,440,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,972,730</u></u>		<u><u>6,679,287</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	614,354		723,817	
Restricted fixed assets	19	7,705,618		7,126,738	
			<u>8,319,972</u>	<u>7,850,555</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,591,000)		(1,440,000)	
			<u>6,728,972</u>	<u>6,410,555</u>	
Total restricted funds					
Unrestricted funds	19		243,758		268,732
TOTAL FUNDS			<u><u>6,972,730</u></u>		<u><u>6,679,287</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:

John O'Shea
Chair of Trustees

The notes on pages 27 to 50 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	437,639	(254,353)
Returns on investments and servicing of finance	22	2,184	1,029
Capital expenditure and financial investment	22	(303,013)	(204,887)
INCREASE/(DECREASE) IN CASH IN THE YEAR		136,810	(458,211)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	136,810	(458,211)
MOVEMENT IN NET FUNDS IN THE YEAR	136,810	(458,211)
Net funds at 1 September 2014	1,011,694	1,469,905
NET FUNDS AT 31 AUGUST 2015	1,148,504	1,011,694

The notes on pages 27 to 50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by 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.

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 Education Funding Agency.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 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.

The policy with respect to impairment reviews of fixed assets is that these are carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	8,122	-	8,122	1,369

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Catering income	124,186	-	124,186	101,782
Lettings income	22,532	-	22,532	21,897
Training income	-	181,995	181,995	183,242
NEBIN income	43,390	-	43,390	-
Nursery fee income	-	61,627	61,627	61,204
Provided services income	118,008	-	118,008	91,684
Class sales	19,666	-	19,666	26,759
Music tuition income	22,976	-	22,976	-
Other income	30,480	-	30,480	214,754
	<u>381,238</u>	<u>243,622</u>	<u>624,860</u>	<u>701,322</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	2,184	-	2,184	2,884
	<u>2,184</u>	<u>-</u>	<u>2,184</u>	<u>2,884</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	-	6,277,931	6,277,931	4,881,018
	<u>-</u>	<u>6,277,931</u>	<u>6,277,931</u>	<u>4,881,018</u>

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,863,557	3,863,557	3,675,287
Pupil premium	-	502,444	502,444	363,453
Start-up grants	-	146,290	146,290	17,500
DfE/EFA capital grants	-	485,487	485,487	158,631
Other DfE/EFA revenue grants	-	68,147	68,147	59,024
	<u>-</u>	<u>5,065,925</u>	<u>5,065,925</u>	<u>4,273,895</u>
Other government grants				
Other Government grants	-	239,223	239,223	28,201
GROW Project	-	463,422	463,422	163,813
Nursery Education grant	-	378,426	378,426	300,059
Teacher Training Programme	-	115,135	115,135	115,050
Dance Project	-	15,800	15,800	-
	<u>-</u>	<u>1,212,006</u>	<u>1,212,006</u>	<u>607,123</u>
	<u>-</u>	<u>6,277,931</u>	<u>6,277,931</u>	<u>4,881,018</u>

6. OTHER INCOMING RESOURCES FROM EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Other teaching school income	62,198	-	62,198	44,422
Contributions towards school trips	-	57,532	57,532	86,686
	<u>62,198</u>	<u>57,532</u>	<u>119,730</u>	<u>131,108</u>

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	As restated Total
	2015	2015	2015	2015	2014
	£	£	£	£	£
Costs of activities for generating funds	-	-	67,881	67,881	71,676
Costs of generating funds	-	-	67,881	67,881	71,676
Direct costs - Educational operations	3,987,293	-	491,780	4,479,073	4,053,736
Support costs - Educational operations	771,091	483,407	917,765	2,172,263	1,994,918
Charitable activities	4,758,384	483,407	1,409,545	6,651,336	6,048,654
Governance costs including allocated support costs	-	-	15,167	15,167	15,215
	4,758,384	483,407	1,492,593	6,734,384	6,135,545

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia/compensation payments	7,995	5,000	Dismissal claim

The Academy Trust has regard to the propriety and regularity of the use of public funds, and has a policy for gifts and hospitality. Gifts made by the trust from public funds did not exceed £25 per member of staff in the year.

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	As restated Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	3,987,293	3,694,499
Technology costs	47,195	-
Educational supplies	191,251	219,689
Examination fees	42,725	26,999
Educational consultancy	200,567	56,528
Other direct costs	10,042	3,021
	<hr/> 4,479,073 <hr/>	<hr/> 4,000,736 <hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	721,091	560,814
Depreciation	267,702	248,104
FRS17 pension finance costs	50,000	53,000
Technology costs	88,332	38,977
Recruitment and support	3,640	3,056
Maintenance of premises and equipment	127,567	151,153
Cleaning	59,417	59,822
Rent and rates	28,765	37,925
Energy costs	57,909	51,980
Insurance	76,940	79,101
Security and transport	41,840	46,578
Catering	179,851	134,014
Bank interest and charges	391	-
(Gain)/loss on disposal of fixed assets	722	4,480
Other support costs	468,096	578,914
	<hr/> 2,172,263 <hr/>	<hr/> 2,047,918 <hr/>
	<hr/> 6,651,336 <hr/>	<hr/> 6,048,654 <hr/>

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration - Audit of the financial statements	12,000	15,197
Auditor's remuneration - Other services	2,860	-
Trustees' reimbursed expenses	307	18
	15,167	15,215

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	267,702	248,104
Auditors' remuneration	12,000	15,197
Auditors' remuneration - non-audit	2,860	-
Operating lease rentals:		
- other operating leases	3,166	5,471

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	As restated 2014 £
Wages and salaries	3,899,237	3,578,309
Social security costs	209,082	211,924
Other pension costs (Note 24)	592,070	433,385
	4,700,389	4,223,618
Supply staff costs	-	29,695
Staff restructuring costs	7,995	2,000
FRS17 pension finance costs	50,000	53,000
	4,758,384	4,308,313

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF (continued)

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,995 (2014: £2,000). Individually the payments were: £5,000 and £2,995.

c. Staff numbers

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

	2015	2014
	No.	No.
Teachers	50	51
Administration and support	101	79
Management	10	4
	<hr/> 161 <hr/>	<hr/> 134 <hr/>

d. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	2
In the band £100,001 - £200,000	1	0
	<hr/> 1 <hr/>	<hr/> 0 <hr/>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £31,702 (2014: £27,062).

12. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	2014
	£	£
A Smith, Headteacher and Accounting Officer	120,000-125,000	95,000-100,000
G Bradley, Staff Trustee	80,000-85,000	75,000-80,000
R Pritchard, Staff Trustee	75,000-80,000	65,000-70,000
L Laubrum, Staff Trustee (appointed 16 July 2015)	40,000-45,000	-

During the year ended 31 August 2015, travel expenses totalling £307 (2014 - £2,743) were reimbursed to 4 Trustees (2014 - 5).

The value of Trustees' remuneration includes gross salary and employer pension contributions made during the year.

Remuneration disclosures for Trustees who resigned prior to 1 September 2014 are not reflected in the table above.

A Smith is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £10,000-£15,000 (2014: £10,000-£15,000).

G Bradley is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £10,000-£15,000 (2014: £5,000-£10,000).

R Pritchard is accruing retirement benefits under the Teachers Pension Scheme and contributions in the year fell within the band £5,000-£10,000 (2014: £5,000-£10,000).

L Laubrum is accruing retirement benefits under the Teachers Pension Scheme and contributions in the year fell within the band £5,000-£10,000.

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 £2,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	3,388,882	3,866,270	210,522	216,105	7,681,779
Additions	282,497	444,116	15,175	47,434	789,222
Disposals	-	-	(1,110)	-	(1,110)
	<u>3,671,379</u>	<u>4,310,386</u>	<u>224,587</u>	<u>263,539</u>	<u>8,469,891</u>
Depreciation					
At 1 September 2014	125,516	157,160	77,064	137,219	496,959
Charge for the year	65,591	84,893	44,295	72,923	267,702
On disposals	-	-	(388)	-	(388)
	<u>191,107</u>	<u>242,053</u>	<u>120,971</u>	<u>210,142</u>	<u>764,273</u>
Net book value					
At 31 August 2015	<u>3,480,272</u>	<u>4,068,333</u>	<u>103,616</u>	<u>53,397</u>	<u>7,705,618</u>
At 31 August 2014	<u>3,263,366</u>	<u>3,709,110</u>	<u>133,458</u>	<u>78,886</u>	<u>7,184,820</u>

Included in land and buildings is freehold land at valuation of £251,000 (2014: £251,000) which is not depreciated.

The leasehold and freehold property was valued on conversion by Mouchel, A RICS Registered Valuer using the Fair Value method.

16. STOCKS

	2015 £	2014 £
Uniform stock	<u>8,177</u>	<u>11,708</u>

17. DEBTORS

	2015 £	2014 £
Trade debtors	32,327	13,629
VAT recoverable	25,142	94,419
Prepayments and accrued income	100,809	118,477
	<u>158,278</u>	<u>226,525</u>

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. CREDITORS:

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	3,791	19,700
Other taxation and social security	57,835	58,501
Pension contributions payable	60,616	16,445
Other creditors	199,546	36,070
Accruals and deferred income	135,059	184,744
	<hr/> 456,847 <hr/>	<hr/> 315,460 <hr/>

Deferred income

Deferred income at 1 September 2014	133,355
Resources deferred during the year	87,437
Amounts released from previous years	(133,355)
	<hr/> 87,437 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance of the 15/16 academic year in respect of;

- Restricted funding from the EFA for Universal Infant Free School Meals (£87,437)

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	268,732	453,742	(478,716)	-	-	243,758
Restricted funds						
General Annual Grant (GAG)	496,533	3,863,557	(3,716,064)	(361,817)	-	282,209
Pupil premium	-	502,444	(502,444)	-	-	-
Start-up grants	-	146,290	(119,429)	-	-	26,861
Other EFA grants	-	68,147	(68,147)	-	-	-
Other Government grants	-	239,223	(239,223)	-	-	-
GROW Project	60,292	463,422	(399,067)	-	-	124,647
Nursery Education grant	70,418	440,053	(454,857)	-	-	55,614
Teacher Training programme	12,021	181,995	(157,980)	-	-	36,036
Teaching School	74,412	115,135	(100,560)	-	-	88,987
School Trips	-	57,532	(57,532)	-	-	-
Dance Project	3,213	15,800	(19,013)	-	-	-
Other activities	6,928	-	(6,928)	-	-	-
Pension reserve	(1,440,000)	-	(146,000)	-	(5,000)	(1,591,000)
	(716,183)	6,093,598	(5,987,244)	(361,817)	(5,000)	(976,646)
Restricted fixed assets						
NBV of fixed assets	7,184,819	-	(268,424)	789,223	-	7,705,618
EFA capital grants	(58,081)	485,487	-	(427,406)	-	-
	7,126,738	485,487	(268,424)	361,817	-	7,705,618
Total restricted funds	6,410,555	6,579,085	(6,255,668)	-	(5,000)	6,728,972
Total of funds	6,679,287	7,032,827	(6,734,384)	-	(5,000)	6,972,730

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

The General fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. STATEMENT OF FUNDS (continued)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority Grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other EFA Grants fund has been created to recognise the restricted funding received from the Department for Education / Education Funding Agency which fall outside the scope of core funding.

The Other Government Grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Academy Trusts core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The EFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

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 2015.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Whitehall Academy	243,211
Lyons Hall Primary School	588,040
Braiswick	26,861
Total before fixed asset fund and pension reserve	<u>858,112</u>
Restricted fixed asset fund	7,705,618
Pension reserve	(1,591,000)
Total	<u><u>6,972,730</u></u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding de'pn £	Total £
Whitehall Academy	2,380,660	431,763	124,763	776,459	3,713,645
Lyons Hall Primary School	1,586,766	331,826	123,999	1,048,903	3,091,494
	<u>3,967,426</u>	<u>763,589</u>	<u>248,762</u>	<u>1,825,362</u>	<u>6,805,139</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	268,732	453,742	(478,716)	-	-	243,758
Restricted funds	(716,183)	6,093,598	(5,987,244)	(361,817)	(5,000)	(976,646)
Restricted fixed assets	7,126,738	485,487	(268,424)	361,817	-	7,705,618
	<u>6,679,287</u>	<u>7,032,827</u>	<u>(6,734,384)</u>	<u>-</u>	<u>(5,000)</u>	<u>6,972,730</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed assets 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	7,705,618	7,705,618	7,184,820
Current assets	54,338	1,260,621	-	1,314,959	1,249,927
Creditors due within one year	189,420	(646,267)	-	(456,847)	(315,460)
Pension scheme liability	-	(1,591,000)	-	(1,591,000)	(1,440,000)
	<u>243,758</u>	<u>(976,646)</u>	<u>7,705,618</u>	<u>6,972,730</u>	<u>6,679,287</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	298,443	(417,844)
Returns on investments and servicing of finance	(2,184)	(1,029)
Depreciation of tangible fixed assets	267,702	248,104
Capital grants from DfE	(485,487)	(158,631)
Decrease in stocks	3,531	485
Increase in debtors	(121,173)	(95,697)
Increase in creditors	330,807	118,259
FRS 17 adjustments	146,000	52,000
Net cash inflow/(outflow) from operations	<u>437,639</u>	<u>(254,353)</u>

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>2,184</u>	<u>1,029</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(789,222)	(367,998)
Sale of tangible fixed assets	722	4,480
Capital grants from DfE	485,487	158,631
Net cash outflow capital expenditure	<u>(303,013)</u>	<u>(204,887)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,011,694	136,810	-	1,148,504
Net funds	1,011,694	136,810	-	1,148,504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. 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 Essex County 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £60,616 were payable to the scheme at 31 August 2015 (2014 - 16,445) 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.

Valuation of the Teachers' Pension Scheme

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

The total pension costs paid to TPS in the period amounted to £470,456 (2014: £428,292), of which employer's contributions totalled £285,207 and employees' contributions totalled £185,249.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust 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 2015 was £284,941, of which employer's contributions totalled £211,106 and employees' contributions totalled £73,835. The agreed contribution rates for future years are 24.4% for employers and 5% to 12.5% 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. 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 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	5.30	543,000	6.10	335,000
Bonds	5.30	82,000	3.60	57,000
Property	5.30	98,000	5.10	60,000
Gilts	5.30	34,000	3.00	34,000
Cash	5.30	21,000	2.90	15,000
Alternative assets	5.30	61,000	3.60	20,000
Total market value of assets		<u>839,000</u>		<u>521,000</u>
Present value of scheme liabilities		<u>(2,430,000)</u>		<u>(1,961,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,591,000)</u></u>		<u><u>(1,440,000)</u></u>

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate, as per the forthcoming FRS102 disclosure requirements.

Therefore the Actuary has not disclosed an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the charge to the Statement of Financial Activities.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,430,000)	(1,961,000)
Fair value of scheme assets	839,000	521,000
Net liability	<u><u>(1,591,000)</u></u>	<u><u>(1,440,000)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(308,000)	(173,000)
Interest on obligation	(86,000)	(74,000)
Expected return on scheme assets	36,000	21,000
	<hr/>	<hr/>
Total	(358,000)	(226,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	31,000	42,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Opening defined benefit obligation	1,961,000	1,478,000
Current service cost	308,000	173,000
Interest cost	86,000	74,000
Contributions by scheme participants	74,000	57,000
Actuarial Losses	-	179,000
Benefits paid	1,000	-
	<hr/>	<hr/>
Closing defined benefit obligation	2,430,000	1,961,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Opening fair value of scheme assets	521,000	247,000
Expected return on assets	36,000	21,000
Actuarial gains and (losses)	(5,000)	22,000
Contributions by employer	212,000	174,000
Contributions by employees	74,000	57,000
Benefits paid	1,000	-
	<hr/>	<hr/>
	839,000	521,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £445,000 loss (2014 - £440,000 loss).

The Academy Trust expects to contribute £214,000 to its Defined benefit pension scheme in 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
Commutation of pensions to lump sums	60.00 %	60.00 %
Inflation assumption (RPI)	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£	£	£
Defined benefit obligation	(2,430,000)	(1,961,000)	(1,478,000)
Scheme assets	839,000	521,000	247,000
Deficit	(1,591,000)	(1,440,000)	(1,231,000)
Experience adjustments on scheme liabilities	-	(179,000)	-
Experience adjustments on scheme assets	(5,000)	22,000	7,000

25. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
Expiry date:		
Within 1 year	120	2,303
Between 2 and 5 years	2,517	2,516

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. 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.

Anglia Ruskin University - S Pratt-Adams (a Trustee of the Academy Trust) is Deputy Dean.

- The Academy Trust purchased services from Anglia Ruskin University totalling £5,244 (2014: £nil) and received £9,600 income (2014: £nil) during the period. There was a balance owed to The Academy Trust of £102 at 31 August 2015 (2014: £nil).
- The Academy Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which S Pratt-Adams neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of EFA's Academies Financial Handbook.

Thinksay Communications - a company in which N Ridley (a Trustee of the Academy Trust) has a majority interest.

- The Academy Trust purchased services from Thinksay Communications totalling £7,838 (2014: £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil).
- The Academy Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which N Ridley neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of EFA's Academies Financial Handbook.

27. CONTROLLING PARTY

There is no ultimate controlling party.

28. COMPANY LIMITED BY GUARENTEE

The Academy Trust is a company limited by guarentee and does not have any share capital.