

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2014
THE EDUCATION FELLOWSHIP TRUST
(A Company Limited by Guarantee)

Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

THE EDUCATION FELLOWSHIP TRUST

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FOR THE YEAR ENDED 31ST AUGUST 2014

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THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2014

Member	The Education Fellowship Limited
Trustees	Sir Ewan W Harper CBE (Resigned 28 th February 2014) J E Kane D E Laing (Resigned 14 th August 2014) E C Mbakwe (Deputy Chairman) R Robertson (Appointed 20 th May 2014) K Shea (Appointed 20 th May 2014) S Thompson-Martyn (Appointed 20 th May 2014) Dr R D Townsend (Chairman) Rev Prof D Wilkinson (Appointed 20 th May 2014)
Chief Executive Officer	J E Kane - Accounting Officer
Senior Management Team	K August - Director of Education (Resigned 30th October 2013) J Cathcart - Director of Education (Appointed 1st November 2013) M Langford - Director of Communications (Resigned 22 nd April 2014) Dr T Pagett - Head of Lifelong Learning (Appointed 1 st April 2014) E Rowe - Director to the CEO S Robinson - Principal Finance Officer Dr A Wallace - Director of IT & Academy Development
Company Secretary	S Robinson (Appointed 20 th February 2014)
Principal and Registered office	Fellowship House 23-25 Chapel Street Titchmarsh Kettering Northamptonshire NN14 3DA
Company Registration Number	07848783 (England and Wales)
Independent Auditor	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL
Bankers	Barclays Bank plc PO Box 885 Matlock House Histon Cambridge CB24 9DE
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Subsidiary undertakings	The Education Fellowship Trading Limited Wrenn Astro Trust

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2013 to 31st August 2014. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The trust operates seven primary academies and two secondary academies in Northamptonshire, a primary academy and a secondary academy in Wiltshire and a secondary academy in Windsor and Maidenhead. Its academies have a combined pupil capacity of 8,130 and had a roll of 6,027 in the academy census on the January 2014. The trust's aim is create a network of non selective academies offering high quality education to its pupils which it refers to as its customers.

The last 12 months have seen continued growth and progress with changes in management and Trustees following an EFA Review in February 2014. The Fellowship has accepted all the recommendations and requirements and is to ensure that these are complied with.

The Fellowships' academies continue to develop their staff to enable them to deliver sustainable education and take their academies to outstanding.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Education Fellowship Trust ("the Multi Academy Trust" or "the MAT") was incorporated as The Education Schools Trust, a company limited by guarantee, on 15 November 2011. By resolution of the members it changed its name to The Education Fellowship Trust on 11 September 2012. The Multi Academy Trust is not registered with the Charity Commission as it is an exempt charity which is regulated by the Education Funding Agency in accordance with a Master Funding Agreement with the Department for Education.

The Education Fellowship Trust is known and operates as The Education Fellowship.

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of The Education Fellowship Trust are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on 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 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

In accordance with normal commercial practice the MAT has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

Principal activities

The MAT's principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom through managing academies offering a broad curriculum with emphasis on particular specialisms.

Method of recruitment and appointment or election of new Trustees.

The MAT is governed by its Trustees. If a vacancy should occur on the Board of Trustees a meeting is then held to discuss possible suitable candidates as permitted by the Articles of Association. Following a discussion and vote, the Board would then appoint a new member in accordance with the Trustees' Handbook.

In addition, under the Articles of Association with the Department for Education, the Secretary of State for Education has the power to appoint Trustees.

Policies and procedures adopted for the induction and training of Trustees

Induction is given to all new Trustees which gives the necessary information about the MAT, its mission statement, strategic objectives, and history. Induction includes explaining the Articles of Association, principles of good governance, the Trustee's role, the skills and qualities required and involvement in strategic planning. Trustees are made aware of guidance available from the Department of Education as to their responsibilities.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Trustees meet regularly to manage the MAT's affairs. Such meetings are minuted and records kept indefinitely.

The day to day management of the MAT is the responsibility of the Senior Management Team led by the Chief Executive Officer, Johnson E Kane. The Senior Management Team, who set general policy, manage the Education Fellowship, set performance against strategy and budget and make major decisions as required of the charitable company. The management seek the advice, guidance and in some cases, the approval of the Trustees.

The Senior Management Team delegate a number of functions to the Academy Advisory Board (AAB) at each academy. Each AAB review annual academy plans, strategy and targets and recommend these to each academy and through that to the Fellowship management board. The running of each academy is delegated to its principal within the policy, timeline and guidance set by the Senior Management Team.

Trustees are briefed regularly by the Senior Management Team on educational and other fellowship academy matters – through a combination of briefings at trustees meetings, visits to academies and individual meetings. This year saw considerable managed change to both our Senior Management Team and Board of Trustees.

This year the Academy Trust has developed a portfolio of policies, procedures and governance which more than fulfils the requirements of the EFA and has been approved by them.

The Trustees at the end of this year are:

Dr Ralph Townsend (Chairman) is Headmaster of Winchester College. Previously Headmaster of Sydney Grammar School (Australia) and Oundle School, he has 23 years' experience of running schools. He has wide governance experience in independent and state schools, including Academies. He is Dean of a group of ten schools around the world which form the Winchester International Symposium.

Emmanuel Mbakwe (Deputy Chairman) has a lifelong interest in education and is the Chair of the Lighthouse Education Service, an innovative charitable organisation based in London which works with excluded and disadvantaged children and young people. Following a twenty five year bi-vocational journey that combined a career in marketing, business strategy and business transformation consultancy with pastoral work, Emmanuel became the National Leader of the Apostolic Church in the UK in 2008 - the first person of African heritage to do so - and a position he continues to hold.

Robbie Robertson has wide experience as a Director, Chairman and Non Executive Director of a number of quoted and private companies. He is a former CEO of Tarmac Group. With a background in finance and organisational structure he has geographical experience in the UK, Europe, Middle East, China, USA, Southern Africa and South America. His wide ranging sector knowledge includes construction materials, mining, paper, fertilisers, food, pharmaceuticals, investment management, property and venture capital.

Kate Shea worked for many years with the John Lewis Partnership as a Registrar whose role was to assure Partners (all employees) the business was being run on their behalf. She is a specialist in employee ownership and drove the democratic spirit of branches she was assigned to, working with senior leaders and Partners. As an independent member of the branch senior management team her role was to challenge, influence, coach, mentor and provide informal mediation simultaneously supporting the development of leadership skills. Having recently left JLP she has set up her own business working with clients on employee engagement, coaching/mentoring individuals, leadership skills, mediation and customer care.

Steve Thompson-Martyn has over 25 years' experience working with organisational change. He is Managing Director of Career Directed Solutions, a business focused on delivering bespoke HR solutions to medium and large UK organizations. CDS offers dedicated expertise in Outplacement/Career Transition, Change Consulting, Coaching, Leadership & Development and Career Management. Steve specialises in managing change and transition, developing leadership and enhancing personal effectiveness and performance.

David Wilkinson (Revd Professor) is currently Principal of St John's College and Professor of Theology at Durham University. His academic work as both a scientist and a theologian has been translated into the popular media through writing, lecturing, radio and television broadcasting.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

Johnson Kane, Chief Executive, leads the Executive Board, the Executive Team, all principals and staff, and is accountable for the performance of all academies. Johnson started his training at John Lewis and was their youngest ever appointed senior manager. He went on to be appointed by the Government to the Board of BAA to help oversee the first major privatization, creating BAA plc. He has also been the CEO of major retail chains, Venture Capital Bank, and advisor to the UK's top 100 CEOs. He leads on lecturing on senior leadership skills.

Connected organisations including related party relationships

The MAT owns 100% of the issued share capital of The Education Fellowship Trading Limited, a dormant company incorporated in England and Wales.

The Trustees also consider that the following companies are related parties by virtue of common Directors, common senior management or direct membership of the MAT or its Trustees:

The Education Fellowship Foundation	-	common Directors
The Education Fellowship Limited	-	common Directors, Academy Trust Sponsor and sole member of The Education Fellowship Trust
The Education Fellowship Staff Trust	-	a common Trustee
The David Laing Foundation	-	a common Trustee
The Kirby Laing Foundation	-	a common Trustee

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of The Education Fellowship Trust are:

- to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools, colleges and academies as centres of excellence in education for all offering a broad curriculum with a strong emphasis on, but in no way limited to either one, or a combination of the specialism(s) specified in the relevant Master Funding Agreements; and
- to promote, for the benefit of the inhabitants of the areas in which the Academies are located and the surrounding areas, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants; and
- to advance the MAT's values which influence behaviour and actions and are set out below;
 - Courage to stand up for what we believe in.
 - Respecting others.
 - Having fun and a good quality of life.
 - Honesty and integrity.
 - Humility, compassion and concern for others.
 - Tolerance and forgiveness
 - Confidence to lead
 - Kindness

Academy Mission

The MAT will place learning through engagement at the core of its academy mission.

Objectives, strategies and activities

The main objectives of 2014 were to continue to advance the education of the students, which is a principal aim and priority of the MAT.

Strategies for achieving objectives:

- The MAT works closely with the Education Funding Agency and the Secretary of State for Education to identify and convert local authority maintained secondary and primary schools to Academy status.
- The Trust has taken on an additional converter academy during the year, Wrenn School, and there are further plans to grow and include additional academies as time progresses;

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

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Strategies for achieving objectives (continued):

- The Trustees have engaged the services of leading educational and ICT specialists to the Senior Management Team to assist the Chief Executive Officer;
- The Trustees are working closely with grant giving foundations to source additional funds, outside the General Annual Grant provided for each academy, to enhance the resources available to the MAT as it manages new academies.

Details of significant activities and a review of charitable activities undertaken by the MAT:

- A Supplementary Funding Agreement has been negotiated and approved with the Department for Education allowing Wrenn School, Wellingborough, to join the Academy Trust from 1 September 2013.
- The MAT has successfully raised capital funding totalling £1.70m during the year from the Education Funding Agency, through the Academies Capital Maintenance Grant programme, in order to maintain and expand its academies' buildings, improving the environment and educational facilities available to the academies' pupils.

Public Benefit

The trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Trustees ensure that the MAT 's activities are undertaken in line with the charitable objects and aims.

Disabled employees

Lofts, ramps, disabled toilets and enlarged door widths have been installed to enable wheelchair access to all the main areas of the academies. The policy of the MAT is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the company, as well as generally through training and career development.

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The MAT aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Employee involvement

The Academy Trust supports and has developed co-ownership for all those who work and learn within the Education Fellowship and that is clearly defined as all employees and pupils.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

When Sir Ewan W Harper and J E Kane founded The Education Fellowship they were motivated by one single objective: to enable all those children who came to our schools and academies to receive an outstanding education.

We believe that every child has a right to aspire and to learn and should be encouraged to do so to the limits of their ability. We don't necessarily know what those limits are and therefore a good academy is always widening its horizons so that all those within it, adults as well as students, grow in each other's company. An important part of this education is the learning of values and the behaviours which come from them so that these become the foundation of the standards each one of us will hold throughout our lives. They help to build our character and enable us to take into our careers, families and communities all that is needed for a happy and fulfilling life.

The MAT's values reflect the way we partner with our academies, minimising central control and avoiding unnecessary bureaucracy. Instead, we work alongside academies to provide the right support locally enabling them to grow in a sustainable way but without the MAT abdicating their responsibilities for good governance and outcomes

This year we re-structured our organisation in order to meet the demands of expanding, in the current and previous year, in order to create sustainability. Our strong Senior Management Team now provide the skills and leadership required to take our academies forward in their journey to reach outstanding. The structure and role profiles are designed for growth, financial security and sustainability. Focus is on leadership, academy improvement, curriculum development, quality of teaching and learning, disadvantaged children (including pupil premium), developing the potential of every child, preparing them for work or higher education, enrichment and ensuring a secure environment through exemplary safeguarding.

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Co-ownership is central to our philosophy and is at the heart of our fellowship forums within each academy. We are receiving advice and support from The John Lewis Partnership (JLP), famed for its highly-developed and sustainable co-ownership model and we have designed our democratic structures on similar lines. Every constituency of the academy community – all ages of students and all sectors of the staff – is represented in the academy's fellowship forum following elections in the new academy year. This develops democratic engagement of staff and students to a level which we believe goes beyond that in any other academy and helps our students to learn about leadership and collaboration.

We believe that each Academy Fellowship Forum is transformational in its impact on education in our academies. It is key to pursuing excellence in every area of our academies in a similar way to how co-ownership is key to the success of the JLP in the business world. It is vital part of embedding our values throughout the academies. Each fellowship forum is committed to making the MAT the very best place to work and in which to learn in its locality.

We have external support from Winchester College and Radley College; they have brought expertise in leadership and quality teaching and above all a different sustainable mind-set.

We monitor our individual academy improvement with monthly stock takes, monthly reconciliation of our financial accounts and 3-monthly reviews with each academy to gauge, monitor and target its journey towards outstanding.

We are currently producing a manual for all our academies that will develop a clear understanding for our Heads on what is an outstanding academy Head to enable them through directorship to create outstanding and sustainable academies.

Fundraising Activities

The MAT continues to perform strongly in respect to securing funding for capital and other projects. The MAT successfully secured £1.7m ACMF grant income.

In addition, Start-up Grants, amounting to £115,000 in respect of the converting academies who join the MAT were received from the Education Funding Agency.

KEY PERFORMANCE INDICATORS

Ofsted Inspection Outcomes

Five of The Education Fellowship twelve academies were inspected in the last academic year (2013-14) with a sixth inspected in early September 2014. These inspections are the first since conversion to Academy status and in all but one case the inspection outcomes for overall effectiveness either improved or remained the same in the context of a significantly more demanding framework. In all these cases there is clear evidence of improvement since conversion. Across all twelve primary and secondary academies 25% are rated at least 'good', with 75% rated either inadequate or requiring improvement. This profile whilst appearing negative does reflect the vulnerability of some of the academies which the Trust took on and in all cases of those inspected improvement is now being secured. Overall 100% of directly provided nursery provision is rated either good or outstanding by Ofsted. Two inspections have taken place in the last year.

Pupil Performance Outcomes

The pupil outcomes at end of Key Stage 2 in 2014 reflect an improvement for the vast majority of academies either in the rate of pupil progress or attainment or both. This reflects a general upward trend over time and the increasing strength in the quality of leadership, management and teaching. Higher attaining pupils have achieved to a higher level than previous years and in many academies the performance of disadvantaged students improved and therefore the gaps in performance with their narrowed. The rates of pupils making at least expected progress is improving, with a number of academies exceeding national median performance in key areas. However, the performance of some academies remains below or close to the national floor standard and the Trust average for the percentage of pupils gaining Level 4 plus in the combined measure of Reading, Writing and Mathematics and the performance at Level 5 plus is below the national average.

In 2014 student performance at the end of Key Stage 4 was mixed reflecting the national picture. Some improved on previous years and were in line with or exceeded the predicted outcomes. The vast majority of academies met or exceeded national benchmarks, with one academy just below on their 'first', rather 'best' results. The performance of disadvantaged pupils in the vast majority of academies in the key measures improved and as a result performance gaps with their peers were reduced.

The performance of students Post 16 was broadly in-line or better than previous years against the range of the key measures. This was especially the case in relation to the percentage of students attaining A*, A and B grades at level 3.

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

KEY PERFORMANCE INDICATORS (continued)

Pupil Attendance

The vast majority of academies improved the percentage of pupils attending the academies both over time and against national benchmarks. In a number of cases this represented a statistically significant improvement, with a number having attendance figures well above national averages; the best being a 97.4% average attendance across the year.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the MAT 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

Financial report for the year

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

The MAT also receives grants for fixed assets from the EFA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities 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 charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds, such as any running costs of the academies not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2014, total revenue expenditure was £37.4 million and total incoming funds from the DfE and other sources were £48.4 million, including net assets transferred from Local Authorities of £11.3 million.

At 31st August 2014 the net book value of tangible fixed assets was £98.0 million and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were exclusively for providing education and the associated support services to the pupils of the MAT.

Financial position

The Academy Trust held fund balances at 31 August 2014 of £92.6 million, comprising £90.3 million of restricted funds and £2.3 million of unrestricted funds. The restricted pension reserve is currently in deficit of £8.3 million. This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed taking this deficit into account.

Land and buildings

The Trustees consider that value of the land and buildings were not significantly different from their market value. It should be noted that these are primarily held under leases which are not available as collateral and the MAT is therefore unable to borrow funds against them.

Reserves policy

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

It is the policy of the Trustees to maintain free reserves at a level to ensure that all management and administrative costs can be met throughout the next financial year.

The Trustees have determined that, at the current time, with the uncertainty over academy funding levels, it is prudent to carry a larger level of reserves than in the previous year. The MAT's current level of free reserves (total funds less amounts held in restricted funds and amounts held as fixed assets) is £2.3 million (2013: £2.0million).

Tangible fixed assets are all held for use by all existing academies. The purpose of the restricted funds is set out in Note 21.

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

FINANCIAL REVIEW (continued)

Investment policy

The Academy Trust does not hold any investments other than its subsidiary company and cash at bank. The Trustees transfer available funds to an interest-bearing deposit account in order to maximise the returns available. The total income from these investments during the year was £75,520. The CEO reviews investment opportunities every six months to ensure the best interest rates are achieved.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Trustees have a risk management strategy which comprises;

- (a) A review of the major risks to which the Trust is exposed at each board meeting, in particular those relating to the operational element of each academy and the finances of the Trust and academies.
- (b) The establishment of systems and procedures to mitigate those risks identified.
- (c) The implementation of procedures designed to minimise any potential impact on the MAT should those risks materialise, is the responsibility of the Executive Team.

Financial risk management objectives and policies

Financial risk management is managed by the Head Office Finance Department who act as the company's treasury function ensuring that surplus funds are deposited so as to maximise interest receivable.

A large proportion of the MAT's costs relate to staff costs which are relatively fixed each year. There is a risk that a significant drop in grant income may lead to an inability to cover such costs at one or more of the academies.

The Trustees and Executive Team aim to keep abreast of proposed changes to Government and other funding streams and these are taken into account when preparing medium term financial forecasts for each academy.

Principal risks and uncertainties

The Trustees consider the following items are the principal risks facing the MAT:

Financial

- Fluctuating student numbers year on year impact directly on funding received from the Education Funding Agency. This, along with continuing change of instability in the formula for determining the funding at a county and national level, creates uncertainty around future income. This makes effective budgeting more challenging.
- The defined benefit pension scheme liability stands at a deficit of £8.3 million at 31 August 2014. Funding this deficit may lead to increased employer contributions from the academies. Ultimately the funding of the pension scheme required by the Government in certain circumstances may not be sustained by the MAT. If claims for underfunding arise in unexpected circumstances these may have to be met by the Department for Education.

Other financial risks:

- Credit risk - the MAT has healthy cash balances and is able to pay its suppliers in accordance with agreed credit terms. Therefore credit risk is considered to be low.
- Cash flow and liquidity risks - Due to the cash flow profile of funding received from the Education Funding Agency, the cash flow and liquidity risks of the MAT are considered to be low.

PLANS FOR FUTURE PERIODS

The Education Fellowship plans to expand its academies creating further clusters, bringing good schools into our group of academies and facilitating the funding to expand our educational programme.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the trustees have taken all the 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 December 2014 and signed on the board's behalf by:

.....
Dr R D Townsend - Trustee

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer ("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 The Education Fellowship Trust and the Secretary of State for Education. He is 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 12 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
Sir Ewan W Harper (Resigned 28 February 2014)	6	6
J E Kane	12	12
D E Laing	8	12
E C Mbakwe	8	12
R Robertson (Appointed 20 May 2014)	3	4
K Shea (Appointed 20 May 2014)	3	4
S Thompson-Martyn (Appointed 20 May 2014)	1	4
Dr R D Townsend	11	12
Rev Prof D Wilkinson (Appointed 20 May 2014)	-	4

During the year, in an attempt to bring fresh expertise to the Board of Trustees and at the same time satisfying the request of the DfE to bring on additional Trustees, four new Trustees were appointed – further details of these new Trustees' professional credentials are included in the Trustees' Report.

Governance review

Throughout the year the Trustees have developed a portfolio of policies, procedures and governance which more than fulfils the requirements of the EFA and have been approved by them. As a result of the EFA review and due to low numbers of Trustees, the work of the sub-committees was absorbed within the monthly Trustee meetings.

The Finance and Audit Committee (FAC) to 1st April 2014

The FAC was formally empowered by Resolution of the Board of Trustees and will consider matters relating to internal and external auditors, and report directly to the Board.

The main responsibilities of the FAC are:

- Advising the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control, governance processes, and ensuring excellent value for money;
- Advising the Board on the appointment, reappointment, dismissal and remuneration of auditors;
- Monitoring the effectiveness of auditors, including the use of auditor performance indicators;
- Ensuring effective coordination between auditors;
- Ensuring that additional services undertaken by the auditors are compatible with audit independence and objectivity;
- Agreeing the work programme of internal audit including the checking of financial controls, systems, transactions and risks;
- Considering the reports of the auditors and, when appropriate, report and advise the Board of material controls issues;
- Monitoring the implementation of agreed audit recommendations;
- Ensuring that all allegations of fraud and irregularity are appropriately investigated and controls weaknesses addressed;
- Recommending the annual financial statements to the Board for approval;
- Reviewing the committee's membership and effectiveness on an annual basis to ensure that it has the appropriate skills and relevant experience.

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014 (continued)

The Finance and Audit Committee (FAC) to 1st April 2014 (continued)

Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a Possible
J E Kane – CEO, Trustee and Accounting Officer	1	1
D E Laing - Trustee	0	1
S Robinson – Principal Finance Officer	1	1
E Rowe - Executive Director to the CEO	1	1

After the EFA Review in February the Finance & Audit Committee was separated into two committees.

The Audit Committee

The Audit Committee was formally empowered by Resolution of the Board of Trustees and will consider matters relation to internal & external auditors, and reports directly to the Board.

The main responsibilities of the Audit Committee:

- To ensure that internal controls and systems are adequate, effective and efficient.
- Periodically review the statement on internal control and make appropriate recommendations to the board.
- Advise the governing body on the appointment, reappointment, dismissal and remuneration of the external auditors, ensuring that additional services which are undertaken remain compatible with audit independence and objectivity.
- Monitor the effectiveness of the external auditors
- Agree the annual programme of the review of financial controls, transactions and risks.
- Consider the report of the internal audit team and auditors and if appropriate, advise the board of material control issues.
- Monitor the implementation of agreed audit recommendations.
- Ensure that all allegations of fraud and irregularity are appropriately investigated and control weaknesses are addressed.
- Recommend the annual financial statement to the governing body for approval.
- Review the annual Value for Money Statement.
- Review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience.

Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a Possible
J E Kane – CEO, Trustee and Accounting Officer	1	1
E C Mbakwe – Trustee	-	1
S Robinson – Principal Finance Officer	1	1
E Rowe – Executive Director to the CEO	1	1

The members of the audit committee will be changed to ensure compliance with the 2014 Academies Handbook.

From the 1st September 2014 the committee structure going forward will be:

Audit Committee
Finance Committee
Fundraising Committee
Education Committee
HR Committee
ICT Committee

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 MAT policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Education Fellowship Trust for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014 (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the MAT 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 MAT's significant risks that has been in place for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint members of its Central Finance Team to act as internal auditors. The Trustees have also appointed Smith Hodge & Baxter, the external auditor, to perform additional checks.

The internal audit team and external auditor roles includes giving advice on financial matters and performing a range of checks on the MAT's financial systems. On a quarterly basis they report to the Board of Trustees and on a regular basis to the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

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

- EFA review of financial management and governance;
- the work of the internal audit team;
- the work of the external auditor;
- the work of the Senior Management Team 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 the review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2014 and signed on its behalf by:

.....
Dr R D Townsend
Trustee

.....
J E Kane
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31ST AUGUST 2014**

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and EFA:

In February 2014 the EFA carried out a Review of Financial Management and Governance at the Academy Trust, as a result of which a number of findings were compiled into an EFA report issued in April 2014 and a Financial Notice to Improve was issued. Since receiving this report the Academy Trust has instigated considerable managed change to both our Senior Management Team and Board of Trustees, and has sought to positively address all of the issues noted by the EFA.

.....
J E Kane
Accounting Officer

18 December 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2014

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2014 and signed on its behalf by:

.....
Dr R D Townsend
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF THE EDUCATION FELLOWSHIP TRUST
FOR THE YEAR ENDED 31ST AUGUST 2014**

We have audited the financial statements of The Education Fellowship Trust for the year ended 31st August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 13, 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 governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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 31st August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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.

Ian Chown (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

18 December 2014

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE EDUCATION FELLOWSHIP TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31ST AUGUST 2014**

In accordance with the terms of our engagement letter dated 25th October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Education Fellowship Trust during the period 1st September 2013 to 31st August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Education Fellowship 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 Education Fellowship 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 Education Fellowship Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Education Fellowship Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Education Fellowship Trust funding agreements with the Secretary of State for Education dated 8th October 2013 and 28th March 2014 and the Academies Financial Handbook, extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of Trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE EDUCATION FELLOWSHIP TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31ST AUGUST 2014 (continued)**

Conclusion

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

- In February 2014 the EFA carried out a Review of Financial Management and Governance at the Academy Trust, as a result of which a number of findings were compiled into an EFA report issued in April 2014 and a Financial Notice to Improve was issued. Since receiving this report the Academy Trust has instigated a series of measures to address the issues raised.

Reporting Accountant
Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

18 December 2014

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2014

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Restricted					
		Unrestricted	Pension	Restricted	Fixed		
		Funds	Reserve	General	Asset	Total	Total
	Notes	£000s	£000s	£000s	£000s	2014	2013
						£000s	£000s
INCOMING/(OUTGOING) RESOURCES							
Incoming resources from generated funds							
Voluntary income	2	40	-	-	-	40	153
Voluntary income - transfer of academies into the academy trust	3	-	(1,751)	(126)	13,165	11,288	83,077
Activities for generating funds	4	177	-	1,401	-	1,578	979
Investment income	5	76	-	-	-	76	37
Other income	6	3	-	-	-	3	2
Incoming resources from charitable activities							
Funding for the academy trust's educational operations	7	-	-	33,532	1,906	35,438	19,136
Total incoming/(outgoing) resources		296	(1,751)	34,807	15,071	48,423	103,384
RESOURCES EXPENDED							
Costs of generating funds							
Costs of generating voluntary income	9	-	-	-	-	-	41
Charitable activities							
Academy trust's educational operations	10	-	305	35,269	1,798	37,372	18,979
Governance costs	11	-	-	63	-	63	270
Total resources expended	8	-	305	35,332	1,798	37,435	19,290
Net incoming/(outgoing) resources before transfers		296	(2,056)	(525)	13,273	10,988	84,094
Gross transfers between funds		(3)	-	(10)	13	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		293	(2,056)	(535)	13,286	10,988	84,094
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes		-	(2,054)	-	-	(2,054)	(348)
Net movement in funds		293	(4,110)	(535)	13,286	8,934	83,746
RECONCILIATION OF FUNDS							
Funds brought forward at 1 September 2013		2,018	(4,168)	564	85,252	83,666	(80)
Funds carried forward at 31 August 2014	21	2,311	(8,278)	29	98,538	92,600	83,666

All of the Academy Trust's activities derive from continuing operations and acquisitions in the current and previous financial periods.

The notes form part of the financial statements

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

BALANCE SHEET AT 31ST AUGUST 2014

		2014	2013
	Notes	£000s	£000s
FIXED ASSETS			
Tangible assets	16	97,961	85,252
Investments	17	-	-
		<hr/>	<hr/>
		97,961	85,252
CURRENT ASSETS			
Stocks	18	10	7
Debtors	19	1,758	1,467
Cash at bank and in hand		3,452	3,562
		<hr/>	<hr/>
		5,220	5,036
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	20	2,303	2,454
		<hr/>	<hr/>
NET CURRENT ASSETS		2,917	2,582
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		100,878	87,834
PENSION SCHEME LIABILITY	31	(8,278)	(4,168)
		<hr/>	<hr/>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		92,600	83,666
		<hr/> <hr/>	<hr/> <hr/>
FUNDS OF THE ACADEMY	21		
Restricted funds:			
Fixed asset fund		98,538	85,252
General fund		29	564
Pension reserve		(8,278)	(4,168)
		<hr/>	<hr/>
Total restricted fund		90,289	81,648
Unrestricted funds:			
General fund		2,311	2,018
		<hr/>	<hr/>
Total unrestricted funds		2,311	2,018
		<hr/>	<hr/>
TOTAL FUNDS		92,600	83,666
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 17 to 40 were approved by the Board of Trustees and authorised for issue on 18 December 2014 and are signed on their behalf by:

.....
Dr D R Townsend
Trustee

The notes form part of these financial statements

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

	Notes	2014 £000s	2013 £000s
Net cash (outflow)/inflow from operating activities	25	(1,663)	1,770
Returns on investment and servicing of finance	26	76	37
Capital expenditure and financial investment	27	1,477	(15)
Cash transferred from academies transferring into the academy trust	3	-	1,527
		<hr/>	<hr/>
(Decrease)/increase in cash in the period	28	(110)	3,319
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movements in net funds			
Net funds at 1st September 2013		3,562	243
(Decrease)/increase in cash in the year		(110)	3,319
		<hr/>	<hr/>
Net funds at 31st August 2014	28	3,452	3,562
		<hr/> <hr/>	<hr/> <hr/>

All of the Academy Trust's cash flows derive from continuing operations and acquisitions in the current and previous financial periods.

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

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently, 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 cause significant doubts on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Preparation of Consolidated Financial Statements

The financial statements contain information about The Education Fellowship Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the Trustees' opinion the results of the subsidiary are not material to an understanding of the Academy Trust's financial statements as in accordance with S405(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant (GAG) 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.

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

The Academy Trust has entered into 125 year leases with Berkshire, Northamptonshire and Wiltshire County Councils for some of the Academy Trust's land and buildings. The rental charge under these leases is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the leases are treated as finance leases and the assets capitalised and depreciated over the period of the leases, in accordance with the tangible fixed assets accounting policy below.

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 a reasonable basis, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in association with attracting voluntary income.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)
Resources Expended (continued)

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets except assets subject to PFI agreements (see below), at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold land and buildings	over the period of the 125 year lease
Fixtures and fittings	20% straight line
Motor vehicles	33% straight line
ICT equipment	33% straight line

Long leasehold land and buildings and other tangible fixed assets totalling £3,548,200 have been provided and are maintained by a third party under a PFI agreement with Northamptonshire County Council. The Academy Trust has entered into a 25 year agreement with Northamptonshire County Council to reimburse that local authority for the major part of its commitment under its PFI agreement. During the year ended 31st August 2014 maintenance of premises and equipment includes £115,464 (2013: £66,633) in respect of payments to the local authority under this agreement. The long leasehold land and buildings were introduced into the financial statements at insurance values, being the Trustees' estimate of their current market value at 31st August 2014. Due to the nature of the maintenance element of the PFI agreement no depreciation is considered necessary in respect of these assets over the term of the agreement. Once the agreement expires, these assets will be depreciated in accordance with the Academy Trust's existing accounting policy for tangible fixed assets.

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

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

Investments

The Academy Trust's shareholding in the wholly owned subsidiary The Education Fellowship Trading Limited is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

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 least term.

Stocks

Unused stationery and catering stores are valued at the lower of cost or net realisable value.

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Pension Benefits

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

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

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

The Academy Trust also operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the statement of financial activities in the period to which they relate.

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

Deferred income

Income received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the Charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Conversion of schools to academy status

The conversion from state maintained schools to a multi academy trust involves the transfer of identifiable assets and liabilities and the operations of the schools for nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the schools to the multi academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Education Fellowship Trust. The amounts have been recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds, restricted pension reserve funds and restricted fixed asset funds. Further details of the transaction are set out in the note 3.

THE EDUCATION FELLOWSHIP TRUST (REGISTERED NUMBER: 07848783)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

2. VOLUNTARY INCOME	Unrestricted Funds £000s	Restricted Funds £000s	Total 2014 £000s	Total 2013 £000s
Donations				
Corporate and individual donations	40	-	40	43
The Kirby Laing Foundation	-	-	-	110
	<u>40</u>	<u>-</u>	<u>40</u>	<u>153</u>

3. TRANSFER OF ACADEMY INTO THE ACADEMY TRUST

During the year, the following school converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Education Fellowship Trust from its Local Authority for £nil consideration.

School	Date	Local Authority
Wrenn School, Wellingborough	1 September 2013	Northamptonshire

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/resources expended, as applicable, in the Statement of Financial Activities as voluntary income/other resources expended, as relevant.

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 £000s	Restricted Pension reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset funds £000s	Total £000s
Tangible fixed assets					
Leasehold land and buildings	-	-	-	13,165	13,165
Budget deficit from LA	-	-	(126)	-	(126)
LGPS deficit	-	(1,751)	-	-	(1,751)
	<u>-</u>	<u>(1,751)</u>	<u>(126)</u>	<u>13,165</u>	<u>11,288</u>

The above net assets include £Nil that were transferred as cash.

The leasehold land and buildings above also include £3.548 million in respect of Blackthorn Primary School, which is subject to a PFI agreement. This school converted to academy trust status and joined The Education Fellowship Trust on 1 December 2012; however the property valuation was not available to the Trustees at the time the 2013 financial statements were prepared and therefore has been included this year's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
Venue hire and lettings	121	-	121	97
Other rent	11	-	11	3
Educational material and exam fees	-	41	41	32
Catering income	-	90	90	49
Supply teacher / non teacher insurance proceeds	-	71	71	29
Education visits income	-	342	342	225
Facilities income	-	152	152	136
Teacher training	-	-	-	109
Nursery income	-	343	343	-
Staff salary recharges	-	143	143	-
Other income	45	219	264	299
	<hr/>	<hr/>	<hr/>	<hr/>
	177	1,401	1,578	979
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. INVESTMENT INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
Bank interest	76	-	76	37
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. OTHER INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
Other income	3	-	3	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
DfE/EFA grants				
General Annual Grant (GAG)	-	30,103	30,103	17,445
Start Up grants	-	115	115	805
Capital grants	-	1,832	1,832	147
Other DfE/EFA grants	-	2,012	2,012	150
	<hr/>	<hr/>	<hr/>	<hr/>
	-	34,062	34,062	18,547
Other Government grants				
Local authority grants	-	1,173	1,173	124
Local authority capital grants	-	74	74	422
Other grants	-	129	129	43
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,376	1,376	589
	<hr/>	<hr/>	<hr/>	<hr/>
	-	35,438	35,438	19,136
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

8. RESOURCES EXPENDED

	Staff Costs £000s	Non pay Premises £000s	Expenditure Other Costs £000s	Total 2014 £000s	Total 2013 £000s
Costs of generating voluntary income	-	-	-	-	41
Academy's educational operations:					
Direct costs	23,374	876	2,906	27,156	13,632
Allocated support costs	4,269	3,639	2,308	10,216	5,347
	<u>27,643</u>	<u>4,515</u>	<u>5,214</u>	<u>37,372</u>	<u>19,020</u>
Governance costs including allocated support costs	-	-	63	63	270
	<u>27,643</u>	<u>4,515</u>	<u>5,277</u>	<u>37,435</u>	<u>19,290</u>

Incoming/outgoing resources for the year include:

	2014 £000s	2013 £000s
Fees payable to auditor - audit	20	20
- other services	24	-
Depreciation	884	595
Operating lease costs - other leases	98	151

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

	Total £	Individual items above £5,000 Amount £	Reason
Fixed asset losses	422	N/A	N/A
Cash losses	38,229	38,229	Fraudulent third party payment request in error and withdrawn from Clarendon Academy's bank account. This was as a result of a computer virus.

9. COSTS OF GENERATING VOLUNTARY INCOME

	Total 2014 £000s	Total 2013 £000s
Fundraising	-	41
	<u>-</u>	<u>41</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

10. CHARITABLE ACTIVITIES

	Total 2014 £000s	Total 2013 £000s
Direct costs - educational operations		
Teaching and educational support staff costs	23,374	11,739
Depreciation	876	589
Technology costs	436	297
Educational supplies	965	445
Examination fees	433	257
Staff development	160	64
16 – 19 Bursaries	11	10
Educational consultancy	780	170
Other direct costs	121	61
	<hr/>	<hr/>
	27,156	13,632
	<hr/>	<hr/>
Support costs - educational operations		
Support staff costs	4,269	2,435
Depreciation	8	6
Communications and IT	69	34
Recruitment and support	155	65
Maintenance of premises and equipment	2,656	804
Rent and rates	267	96
Energy costs	532	464
Insurance	312	234
Motor, travel and subsistence	217	151
Legal and professional	697	479
Accountancy and finance	31	122
Catering contracts and costs	625	248
Bank interest and charges	29	8
Office and other support costs	349	201
	<hr/>	<hr/>
	10,216	5,347
	<hr/>	<hr/>
Total direct and support costs	37,372	18,979
	<hr/> <hr/>	<hr/> <hr/>

11. GOVERNANCE COSTS

	Total 2014 £000s	Total 2013 £000s
Staff costs	-	197
Auditors' remuneration		
- audit of financial statements	25	20
- other services	23	-
Costs of Trustees meetings	6	15
Accountancy fees	9	38
	<hr/>	<hr/>
	63	270
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

12. STAFF

a. Staff costs	2014	2013
	£000s	£000s
Staff costs during the period were:		
Wages and salaries	21,300	11,299
Social security costs	1,791	789
Pension costs	3,785	1,645
	<hr/>	<hr/>
	26,876	13,733
Supply staff costs	757	642
Staff restructuring costs	10	37
	<hr/>	<hr/>
	27,643	14,412
	<hr/>	<hr/>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,852 (2013: £36,875). One of the non-statutory/non-contractual payments exceeded £5,000 individually and this was for £6,852.

c. Staff numbers

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

Charitable Activities	2014	2013
	No.	No.
Teachers	387	290
Administration and support	391	307
Management	6	5
	<hr/>	<hr/>
	784	602
	<hr/>	<hr/>

d. Higher paid staff

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

	2014	2013
£60,001 - £70,000	14	6
£70,001 - £80,000	1	-
£80,001 - £90,000	2	-
£90,001 - £100,000	2	3
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£160,001 - £170,000	1	-
£200,001 - £210,000	1	1
	<hr/>	<hr/>

Fifteen (2013: Seven) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £144,934 (2013: £48,506). Two employees (2013: None) participated in the Local Government Pension Scheme; employer's pension contributions amounted to £21,444 (2013: £Nil). Three (2013: Two) employees participated in defined contribution pension schemes, employer's pension contributions amounted to £40,000 (2013: £41,826). No pension contributions were made in respect of the remaining four (2013: Four) employees.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

13. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year always with academy improvement being the priority:

- Business support – finance;
- Marketing and media;
- Human resources;
- Digital technology;
- Academy conversion;
- Education and academy improvement: Academy leadership and standards;
- Teaching, learning and curriculum;
- Lifelong learning, including 14-25 development;
- Academy building and resource management; and
- Supporting and facilitating professional development.

An agreement with each academy is to ensure that the proper elements and commitments are in place to provide consistent support and delivery to academies by The Education Fellowship. The goal of this agreement is to obtain mutual agreement for service provision between The Education Fellowship and its academies.

The trust charges for these services on the following basis:

- flat percentage of income at 5% of GAG

The actual amounts charged during the year were as follows:

	2014
	£
Desborough College	157,554
Ruskin Junior School	45,266
Warwick Primary School	72,553
Blackthorn Primary School	91,850
Rushden Community College	252,928
Clarendon Academy	251,445
Pembroke Park Primary School	34,461
Thorplands Primary School	53,051
Olympic Road Primary School	71,151
Windmill Primary School	46,996
Risdene Academy	50,465
Wrenn School	347,705
	<hr/> <hr/> 1,475,425

14. RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES

The former Chairman and the current Chief Executive Officer were the only Trustees to receive remuneration in respect of services they provide. The former Chairman was paid for his role of liaising with Higher Educational Establishments, and the Chief Executive Officer for his role as CEO, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees.

The value of Trustees’ remunerations was as follows:

Sir Ewan W Harper (Chairman and Trustee until 28 February 2014) £60,000 - £65,000 (2013: £90,000 - £95,000)
Johnson E Kane (CEO and Trustee): £160,000 - £165,000 (2013: £90,000 - £95,000)

During the year ended 31 August 2014, expenses in respect of: travel and subsistence, stationery, ICT and communications, totalling £22,898 (2013: £45,332) were reimbursed to 3 Trustees (2013: 2 Trustees).

Other related party transactions are set out in note 32.

15. TRUSTEES’ AND OFFICERS’ INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 aggregate liability in any one year and the cost for the year ended 31st August 2014 was £5,902. The cost of this insurance is included in the total insurance cost.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

16. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £000s	Fixtures & fittings £000s	ICT equipment £000s	Motor vehicles £000s	Totals £000s
COST					
At 1st September 2013	85,245	561	32	10	85,848
Transfer on conversion	13,165	-	-	-	13,165
Additions	426	-	3	-	429
Disposals	-	-	(1)	-	(1)
At 31st August 2014	98,836	561	34	10	99,441
DEPRECIATION					
At 1st September 2013	473	112	8	3	596
Charge for year	760	112	10	2	884
At 31st August 2014	1,233	224	18	5	1,480
NET BOOK VALUE					
At 31st August 2014	97,603	337	16	5	97,961
At 31st August 2013	84,772	449	24	7	85,252

Leasehold land and buildings additions include £0.359 million (2013: £nil) of assets in the course of construction and £3.548 million (2013: £nil) of assets subject to PFI agreements which have not been subject to depreciation.

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings
COST	
At 1st September 2013 and at 31st August 2014	£ 1
NET BOOK VALUE	
At 31st August 2014	1
At 31st August 2013	1

The investments are shown in the balance sheet at cost. The Trustees have not prepared group accounts as they are of the opinion that the results of the subsidiaries are not material to an understanding of the Academy Trust's financial statements in accordance with Section 405(2) of the Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

The Academy Trust's investments at the balance sheet date in the share capital of companies include the following:

The Education Fellowship Trading Limited

Country of incorporation: England and Wales

Nature of business: dormant

Class of share:	% holding	31st August 2014	31st August 2013
Ordinary	100	£	£
Aggregate capital and reserves		1	1
Loss for the year		-	-

Wrenn Astro Trust

Country of incorporation: England and Wales

Nature of business: Company limited by guarantee and dormant since incorporation on 1 November 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

18. STOCKS

		2014	2013
		£000s	£000s
Catering provisions and uniform	10	7	

19. DEBTORS

		2014	2013
		£000s	£000s
Trade debtors		62	35
VAT recoverable		433	760
Trustees' current accounts		-	1
Prepayments and accrued income		1,260	641
Other debtors		3	30
		<u>1,758</u>	<u>1,467</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2014	2013
		£000s	£000s
Trade creditors		651	783
Amounts owed to group undertakings		31	36
Taxation and social security		337	321
Other creditors		283	37
Accruals and deferred income		1,001	1,277
		<u>2,303</u>	<u>2,454</u>

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

Included in creditors was deferred income as follows:

	2014	2013
	£000s	£000s
Deferred income at 1 September 2013	485	195
Resources deferred in the year	451	485
Amounts released from the previous year	(430)	(195)
	<u>506</u>	<u>485</u>

The main components of this deferred income were:

	2014	2013
	£000s	£000s
Devolved Formula Capital grants	146	85
Universal Infants Free School Meal grants re 2014/15	116	-
Cluster School funding	55	91
Trip income received in advance	42	-
Nursery fees received in advance	30	-
Local authority funding for reception teacher	27	-
16 – 19 Bursary funding in advance	20	-
Rates relief in advance	19	-
Children's Centre advance receipts	-	152
Start up grants	-	90
Other income	51	67
	<u>506</u>	<u>485</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

21. FUNDS

	Balance at 1st September 2013 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31st August 2014 £000s
Restricted general funds					
General Annual Grant (GAG)	473	30,103	(30,576)	-	-
Other DfE/EFA grants	-	2,012	(2,012)	-	-
Other restricted general funds	91	2,577	(2,629)	(10)	29
Pension Reserve	(4,168)	(1,751)	(305)	(2,054)	(8,278)
Start up grant	-	115	(115)	-	-
	<u>(3,604)</u>	<u>33,056</u>	<u>(35,637)</u>	<u>(2,064)</u>	<u>(8,249)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	117	1,832	(870)	-	1,079
Other government grants	85,135	74	(850)	13,098	97,457
Assets transferred from other academies	-	13,165	(77)	(13,088)	-
Other funding	-	-	(1)	3	2
	<u>85,252</u>	<u>15,071</u>	<u>(1,798)</u>	<u>13</u>	<u>98,538</u>
Total restricted funds	<u>81,648</u>	<u>48,127</u>	<u>(37,435)</u>	<u>(2,051)</u>	<u>90,289</u>
Unrestricted funds					
Unrestricted General Funds	2,018	296	-	(3)	2,311
Total unrestricted funds	<u>2,018</u>	<u>296</u>	<u>-</u>	<u>(3)</u>	<u>2,311</u>
TOTAL FUNDS	<u>83,666</u>	<u>48,423</u>	<u>(37,435)</u>	<u>(2,054)</u>	<u>92,600</u>

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

Restricted General Funds include unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general 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 31st August 2014.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

21. FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31st August 2014 were allocated as follows:

	2014 Total £000s
Desborough College	(60)
Ruskin Junior School	110
Warwick Primary School	132
Blackthorn Primary School	822
Rushden Community College	585
Clarendon Academy	108
Pembroke Park Primary School	(10)
Thorplands Primary School	204
Olympic Road Primary School	87
Windmill Primary School	190
Risdene Academy	(31)
Wrenn School	(254)
Central services	457
	<hr/>
Total before fixed assets and pension reserve	2,340
Restricted fixed asset fund	98,538
Pension reserve	(8,278)
	<hr/>
	92,600
	<hr/> <hr/>

The following academies are carrying deficits on these funds:

Academy	Deficit £000s	Explanation
Desborough College	60	Due to pupil numbers being under-capacity.
Pembroke Park Primary School Risdene Academy	10 31	Due to increased pupil numbers over the year and a lag in the increase in the corresponding funding.
Wrenn School	254	Due to pupil numbers being under-capacity and a budget deficit of £126,000 inherited on conversion from the predecessor school.

The Academy Trust is taking the following action to return these academies to surplus:

Desborough College - whilst Desborough College's pupil roll is still currently under-capacity, the new intake in September 2014 for year 7 was over-subscribed. Increasing numbers should generate greater grant income, make more efficient use of the College's resources and start to reduce the deficit. A review and re-shaping the structure in January 2015 and centralisation will ensure a reduction in costs. Marketing and promoting the academy in the area will increase pupil numbers.

Pembroke Park Primary School and Risdene Academy - 2014/2015 increases in grant income as a result of higher pupil numbers in 2013/2014 at both Pembroke Park Primary School and Risdene Academy should result in the elimination of the deficit in 2014/15. Centralisation at Risdene Academy will result in a saving in costs.

Wrenn School – a full review and re-shaping the structure in January 2015 coupled with centralisation will ensure a reduction in annual costs. Marketing and promoting the academy in the area will increase pupil numbers.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

21. FUNDS (continued)

Analysis of academies by cost

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

	Teaching & Educational Support Staff Costs £000s	Other Support Staff Costs £000s	Educational Supplies £000s	Other costs (excluding Depreciation) £000s	2014 Total £000s
Desborough College	2,583	467	111	1,602	4,763
Rushden Community College	3,645	451	129	1,151	5,376
Clarendon Academy	3,902	492	173	1,051	5,618
Ruskin Junior School	751	124	20	180	1,075
Warwick Primary School	1,113	84	37	407	1,641
Blackthorn Primary School	1,417	134	63	541	2,155
Thorplands Primary School	802	704	72	508	2,086
Pembroke Park Primary School	620	66	26	152	864
Olympic Road Primary School	1,191	169	46	238	1,644
Windmill Primary School	691	111	25	175	1,002
Risdene Academy	912	132	44	164	1,252
Wrenn School	5,217	902	214	1,208	7,541
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,844	3,836	960	7,377	35,017
Central services	-	963	5	566	1,534
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,844	4,799	965	7,943	36,551
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2014 are represented by:

	Restricted Unrestricted Funds £000s	Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	2014 Total Funds £000s
Tangible fixed assets	-	-	-	97,961	97,961
Fixed asset investments	-	-	-	-	-
Current assets	2,311	-	2,028	881	5,220
Current liabilities	-	-	(1,999)	(304)	(2,303)
Pension scheme liability	-	(8,278)	-	-	(8,278)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	2,311	(8,278)	29	98,538	92,600
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

23. CAPTIAL COMMITMENTS

	2014 £000s	2013 £000s
Contracted for, but not provided in the financial statements	219	-
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

24. FINANCIAL COMMITMENTS

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

	2014	2013
	£000s	£000s
Land and buildings:		
Expiring within one year	16	8
Expiring within two and five years inclusive	-	24
	<u>16</u>	<u>32</u>
Other:		
Expiring within one year	3	3
Expiring within two and five years inclusive	90	151
Expiring in over five years	4	1
	<u>97</u>	<u>155</u>

25. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£000s	£000s
Net income	10,988	84,094
Net assets transferred from other academies	(11,288)	(83,077)
Depreciation	884	595
Loss on disposal of tangible fixed assets	1	-
Interest payable	-	-
Interest receivable	(76)	(37)
Capital grants from DfE and other capital income	(1,906)	(569)
FRS 17 pension cost less contributions payable	83	22
FRS 17 pension finance costs	222	93
Increase in stock	(3)	(7)
Increase in debtors	(291)	(1,460)
(Decrease)/increase in creditors	(277)	2,116
	<u>(1,663)</u>	<u>1,770</u>

26. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£000s	£000s
Interest paid	-	-
Interest received	76	37
	<u>76</u>	<u>37</u>
Net cash inflow from returns on investment and servicing of finance	<u>76</u>	<u>37</u>

27. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014	2013
	£000s	£000s
Purchase of tangible fixed assets	(429)	(584)
Capital grants from DfE/EFA	1,832	147
Capital grants from others	74	422
	<u>1,477</u>	<u>(15)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>1,477</u>	<u>(15)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

28. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st September 2013 £000s	Cash Flows £000s	At 31st August 2014 £000s
Cash in hand and at bank	3,562	(110)	3,452
Total	<u>3,562</u>	<u>(110)</u>	<u>3,452</u>

29. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy 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 Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy Trust's sites and premises and other assets held for the purpose of the Academy Trust; 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.

30. 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 cease to be a member.

31. PENSION AND SIMILAR OBLIGATIONS

The multi academy trust's employees belong to two principal pension schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and three Local Government Pension Schemes (LGPS) for non-teaching staff, which are managed by Wiltshire, Berkshire and Northamptonshire County Councils. All 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 2010. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

In addition to the above two schemes some employees are members of a defined contribution SIPS. Contributions amounting to £8,333 (2013: £3,483) were payable to defined contribution SIPS at 31st August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

31. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

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 calculation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including 0.08% employer administration charge) (currently 14.1%)
- Total scheme liabilities for the service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £1,466,000 (2013: £594,000) of which employer's contributions totalled £1,154,000 (2013: £461,000) and employees' contributions totalled £312,000 (2013: £133,000). The agreed contribution rates for future years are 16.6% to 23.1% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of all the academies under the control of the Academy Trust including new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees of academies which transferred to the Academy Trust during the year represents their cumulative service at both the predecessor school/academy and the Academy Trust at the balance sheet date.

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014**

31. PENSION AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions	At 31st August 2014	At 31st August 2013
Rate of increase in salaries	4.5%	4.8% to 5.1%
Rate of increase for pensions in payment/inflation	2.7%	2.8% to 2.9%
Discount rate for scheme liabilities	3.7% to 3.9%	4.6% to 4.7%
Inflation assumption (CPI)	2.7%	2.9%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	50% to 75%	50% to 75%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary amount £000s
Change in assumptions at year ended 31st August 2014:		
0.5% decrease in Real Discount Rate	13%	2,540
1 year increase in member life expectancy	4%	549
0.5% increase in the Salary Increase Rate	7%	1,607
0.5 % increase in the Pension Increase Rate	7%	1,630

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

	At 31st August 2014	At 31st August 2013
<i>Current Pensioners</i>		
Males	22.3 to 22.7	21.3 to 23.1
Females	24.3 to 26.0	23.3 to 25.7
<i>Future Pensioners</i>		
Males	24.0 to 24.9	23.3 to 25.1
Females	26.6 to 28.3	25.5 to 27.6

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

	Expected return at 31st August 2014	Fair value at 31st August 2014	Expected return at 31st August 2013	Fair value at 31st August 2013
		£000s		£000s
Equities	6.3% to 6.7%	4,383	6.3% to 6.7%	2,316
Bonds	2.9% to 3.6%	1,164	3.5% to 4.4%	579
Property	4.5% to 5.9%	523	4.3% to 4.7%	238
Cash	2.9% to 3.3%	178	0.5% to 3.6%	112
Other assets	2.9% to 6.7%	145	4.7%	83
Total market value of assets		6,393		3,328
Present value of scheme liabilities				
- Funded		(14,671)		(7,496)
(Deficit)/surplus in the scheme		(8,278)		(4,168)

Northamptonshire and Wiltshire LGPS

The expected returns on assets other than bonds have been calculated using 5000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date. The expected returns on bonds has been derived from the yields applicable at the accounting date on suitable bond indices.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

31. PENSION AND SIMILAR OBLIGATIONS (continued)
Local Government Pension Scheme (continued)

Berkshire LGPS

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

The actual return on scheme assets was £625,000 (2013: £190,000).

Amounts recognised in the statement of financial activities	2014 £000s	2013 £000s
Current service cost (net of employee contributions)	1,238	483
Past service cost	-	-
Total operating charge	<u>1,238</u>	<u>483</u>
	2014 £000s	2013 £000s
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	287	91
Interest on pension liabilities	(508)	(184)
Pension finance income/(costs)	<u>(221)</u>	<u>(93)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £2,333,000 loss (2013: £348,000 loss).

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

	2014 £000s	2013 £000s
At 1st September	7,496	-
Defined benefit obligations transferred in from other academies	2,452	6,303
Current service cost	1,238	483
Interest cost	508	184
Employee contributions	312	133
Actuarial loss	2,685	466
Benefits paid	(20)	(73)
Past service cost	-	-
At 31st August	<u>14,671</u>	<u>7,496</u>

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

	2014 £000s	2013 £000s
At 1st September	3,328	-
Fair value of scheme assets transferred in from other academies	701	2,598
Expected return on assets	287	91
Actuarial gain	631	118
Employer contributions	1,154	461
Employee contributions	312	133
Benefits paid	(20)	(73)
At 31st August	<u>6,393</u>	<u>3,328</u>

The estimated value of employer contributions for the year ending 31 August 2015 is £1,288,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

31. PENSION AND SIMILAR OBLIGATIONS (continued)

The history of experience adjustments is as follows:

	2014	2013
	£000s	£000s
Present value of defined benefit obligations	(14,671)	(7,496)
Fair value of share of Scheme assets	6,393	3,328
	<hr/>	<hr/>
(Deficit)/surplus in the Scheme	(8,278)	(4,168)
	<hr/> <hr/>	<hr/> <hr/>
	2014	2013
	£000s	£000s
Experience adjustments on share of Scheme assets	456	118
Experience adjustments on Scheme liabilities	(128)	-
	<hr/> <hr/>	<hr/> <hr/>

32. RELATED PARTY DISCLOSURES

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, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have 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.

Control

Throughout the whole year, The Education Fellowship Limited ("TEFL"), a private company limited by shares, was the sole member of The Education Fellowship Trust and therefore the immediate controlling party. The ultimate controlling party of The Education Fellowship Trust is The Education Fellowship Staff Trust, for which Sir Ewan W Harper and Johnson E Kane act as Trustees.

On 28 September 2012, Sir Ewan W Harper and Mr Johnson E Kane, the then Directors of The Education Fellowship Limited, were appointed Directors of The Education Fellowship Trust. Sir Ewan W Harper resigned as a Director of The Education Fellowship Trust on 28 February 2014, and as a Director of The Education Fellowship Limited on 28 February 2014. Johnson E Kane remains a Director of The Education Fellowship Trust and the sole Director of The Education Fellowship Limited.

Transactions

The Education Fellowship Limited ("TEFL"), is considered a related party by virtue of the Education Funding Agreement. The balance due to TEFL at 31 August 2014 was £30,535 (2013: £35,321).

During the year, Lady Harper, wife of Sir Ewan W Harper, the former Chairman, charged The Education Fellowship Trust £24,000 (2013: £24,819) in respect of rent on the building occupied by the Academy Trust and a further £2,809 (2013: £2,759) in respect of building insurance premiums in accordance with an operating lease for Fellowship House, Titchmarsh. This rental agreement was entered into prior to 7 November 2013. The trust intends to relocate during the year ended 31 August 2015.

The following close family members of Trustees were employed by The Education Fellowship Trust during the year:

Trustee	Close family member		2014	2013
			£	£
Sir E W Harper	M Langford (Daughter)	Salary	62,661	70,000
		Pension	3,133	4,958
		Expenses reimbursed	4,128	7,781
E Mbakwe	J Mbakwe (Daughter)	Salary	11,442	-
		Pension	-	-
		Expenses reimbursed	500	-

M Langford resigned on 22 April 2014 and J Mbakwe's contract of employment terminated on 30 April 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

32. RELATED PARTY DISCLOSURES (continued)

In addition to the above transactions Harrison Holt, a firm of Chartered Accountants controlled by Sir Ewan W Harper's son-in-law Philip Holt, charged The Education Fellowship Trust £14,183 (2013: £61,533) during the year in respect of accountancy services. The agreement for the provision of these accounting services was entered into prior to 7 November 2013 and this engagement was terminated in December 2013.

Throughout the year C Wallace, the wife of a member of the Senior Management Team, was employed by the academy trust at a salary of £29,000 (2013: 26,583).

At 31 August 2014, balances due from Directors/Trustees amounted to £Nil (2013: £1,139 - Sir Ewan W Harper £483 and Johnson E Kane £656). The amounts were in connection with advances to meet expenses of the Academy Trust.

Related party transactions were subject to an EFA review in the year ended 31 August 2014 and following these findings the Academy Trust has complied with the requirements of the EFA's Academies Financial Handbook.