

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Period Ended 31 August 2013

**LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)**

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LEARNING PATHWAYS ACADEMY
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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Period Ended 31 August 2013

Trustees	John O'Shea, Chairman (appointed 9 March 2012) ^{1,2} Rachel Pritchard (appointed 9 March 2012) ^{1,2} Andrew Smith (appointed 9 March 2012) ^{1,2} Gavin Bradley ² Martin North ² Jo Olley ² Alison Fiala Chris Smith Simon Pratt-Adams
	¹ Member ² Member of the Financial committee at local governing body level
Company registered number	07984238
Principal and registered office	Lyons Hall Primary School Deerleap Way Braintree Essex CM7 9FH
Company secretary	ASB Law
Senior management team	Andrew Smith, Headteacher (Lyons Hall Primary School) / Executive Headteacher (White Hall) Gavin Bradley, Headteacher (White Hall Academy) Rachel Pritchard, Deputy Headteacher (Lyons Hall Primary School) Lorraine Laudrum, Leader of Learning (White Hall Academy)
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank Commercial Banking PO Box 1000 BX1 1LT
Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Trustees' Report
For the Period Ended 31 August 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Learning Pathways Academy (the academy) for the period 1 April 2012 to 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

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

The two academies within the Learning Pathways academy trust are Lyons Hall Primary School and White Hall Academy.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

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

d. Policies and procedures adopted for the induction and training of Trustees

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

e. Organisational structure

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

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

The leadership team consisted of the following:

Andrew Smith	Headteacher (Lyons Hall Primary School)/Executive Headteacher (White Hall Academy)
/CEO	
Gavin Bradley	Headteacher (White Hall Academy)

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Trustees' Report (continued)
For the Period Ended 31 August 2013

Rachel Pritchard Deputy Headteacher (Lyons Hall Primary School)
Lorraine Laudrum Leader of Learning (White Hall Academy)

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

f. Risk management

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

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

g. Trustees' indemnities

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

h. Principal activities

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

Objectives and Activities

a. Objects and aims

The Trust will provide:

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

The Trust will:

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

The Academies within the trust will provide:

Successful and aspirational learning

- Learning provision that actively engages all pupils and offers a sense of fulfilment, enjoyment and challenge.
- Personalised learning that gives enjoyable opportunities for creativity and problem solving.
- Active learning in which there are rich opportunities for learning outside the classroom.

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Trustees' Report (continued)
For the Period Ended 31 August 2013

- A resource rich environment that reflects the needs of the pupils and adults.
- Pupil involvement in learning with a strong focus on learning to learn and responsiveness to different learning styles.
- High expectations for learning and behaviour which are manifest in a strong ethos of mutual respect from and for all members of the school and wider community.

A curriculum that is responsive to a changing world

- A strong focus on the individual and SEAL which is embedded in the curriculum.
- An ICT rich, real and virtual environment with a strategic approach to the development of aspirations.
- A positive, physical and emotional learning environment which is safe and nurturing.

A supportive environment in which children are open to new experiences and feel able to take risks and celebrate mistakes as learning opportunities.

- Support for all members of the community in the continuing skills for life development in order to make a positive contribution locally.
- A highly inclusive environment where every member of the school community is able to access learning and support.
- A focus for sustained extended school services and multi-agency support all to support groups to achieve their potential.
- A strong collaborative ethos within and between the staff, pupils and the wider community which manifests itself in team work, partnerships and learning with and from each other.

b. Objectives, strategies and activities

Objectives for the Academic Year 2013/14:

1. To improve the quality of teaching
2. To improve the rates of progress and attainment
3. To ensure Pupil Premium children make better than expected progress

Strategies to achieve objectives:

1. Developing Teacher Programme
2. Outstanding Teacher Programme
3. Talk for Writing
4. Kagan
5. Visible Learning
6. Coaching
7. Developing phonics

c. Public benefit

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

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

- Current Reserve & Contingencies
- Total payroll as a % of GAG income

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**Trustees' Report (continued)
For the Period Ended 31 August 2013**

- % payroll split Teaching : Non-Teaching
- Cash flow

The cash flow has remained positive and the Trust has a buffer for future years. All ratios remain within normal benchmarking.

c. Review of activities

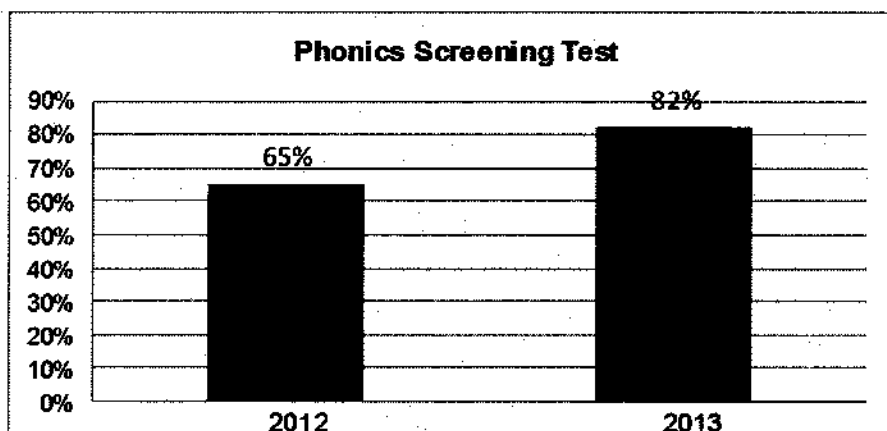
Lyons Hall Primary School

Overall achievement at this school is outstanding because:

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

Key Stage 1 Data

Attainment Cohort	L2c+			L3		
	School 2012	National 2012	School 2013	School 2012	National 2012	School 2013
Reading	92%	87%	92%	27%	27%	30% +3%
Writing	85%	83%	87% +2%	18%	14%	20% +2%
Maths	93%	91%	93%	22%	22%	23% +1%



Key Stage 2 Data

	School 2011		School 2012		School 2013	
	4+	5+	4+	5+	4+	5+
Reading	90%	56%	97%	49%	100%	63%

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**Trustees' Report (continued)
For the Period Ended 31 August 2013**

Writing	94%	22%	91%	44%	97%	44% (7% L6)
Maths	92%	44%	95%	52%	97%	66% (12% L6)
Combined	88%	30%	85%	30%	93%	41%

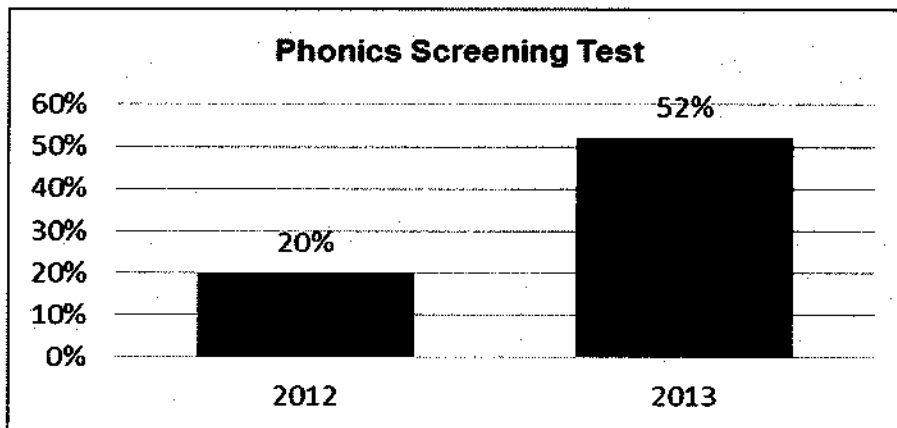
Progress KS1 to KS2

Reading		Writing		Maths	
2 levels	98%	2 levels	93%	2 levels	98%
3 levels	44%	3 levels	56%	3 levels	64%

White Hall Academy

Key Stage 1 Data

Attainment Cohort	L2c+ School			L3 School		
	2012	National 2012	School 2013	2012	National 2012	School 2013
Reading	82%	87%	84% +1%	24%	27%	26% +2%
Writing	77%	83%	78% +2%	9%	14%	18% +9%
Maths	84%	91%	87% +3%	24%	22%	25% +1%



Key Stage 2 Data

	School 2011		School 2012		School 2013	
	4+	5+	4+	5+	4+	5+
Reading	54%	4%	73%	14%	72%	19%
Writing	37%	0%	63%	11%	78%	15% (4% L6)

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Trustees' Report (continued)
For the Period Ended 31 August 2013

Maths	54%	4%	73%	19%	78%	22%
Combined	35%	0%	60%	7%	65%	9%

Progress KS1 to KS2

Reading		Writing		Maths	
2 levels	66%	2 levels	77%	2 levels	66%
3 levels	6%	3 levels	15%	3 levels	7%

Financial review

Lyons Hall Primary School converted to academy status on 1st April 2012 with the trust name of Learning Pathways Academy. Coppins Green Primary School converted to White Hall Academy within Learning Pathways Academy trust on 1st September 2012. Little Stars Nursery (for 2 year olds) received a separate Ofsted registration on 10th October 2012 and is funded through Essex County Council grants and privately by parents.

Both schools on conversion agreed to adopt their previous terms of reference until such times as the Trust has put in place consistent delegation across all schools.

The assets and liabilities the Trust acquired on conversion can be seen in note 27 of the financial statements.

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31 August 2013 the Academy Trust received £4,305,726 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the academies primary objective of the provision of education. The Trust received Devolved Formula Capital funding of £133,667.

During the year both academies updated their interactive white boards and touch screen which enable interaction with multiple users, require minimal maintenance and ensure a reliable, consistent tool for the delivery of teaching, giving access to a variety of software and the internet. The academies have also invested in mobile technology (iPads) which has had a massive positive impact on learning and the motivation for learning through apps such as 'Explain Everything' and 'Book Creator' which also connect directly to the new screens. White Hall Academy undertook building works to add partitioning between classrooms to improve the children's learning environment.

a. Principal risks and uncertainties

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

- **Staff retention and recruitment:** The quality of staff (both teaching and support) is crucial in sustaining the high achievements of the academies. An important factor in addressing this risk is the academies emphasis on high quality, personalised professional development for all staff.
- **Falling rolls:** Highly unlikely. Both academies within the trust are increasingly oversubscribed and have been approached by Essex County Council regarding additional places due to a bulge year next year.
- **Budget constraints:** We are now in a period of constrained public spending on education. It will be important to balance expenditure on educational provision with available funding and reserves.

b. Reserves policy

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

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

The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £302,396.

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Trustees' Report (continued)
For the Period Ended 31 August 2013

Plans for expenditure with regard to the carry forward are:

Lyons Hall Primary School –

- Extension (music and intervention rooms) £150,000
- Additional capacity extension £100,000 (plus £120,000 LA funding)
- ICT developments £50,000
- Additional staffing capacity for school support

White Hall Academy –

- Building works and redecoration £30,000
- Smart Boards £40,000
- Additional staffing capacity to increase attainment

This will leave sufficient reserves to cover staffing costs or emergency building works should there be a delay in the receipt of grants. Funds kept in free reserves until capital projects are complete in 2013/14 will be transferred to the fixed asset reserves upon completion.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy Trust is recognising a significant pension fund deficit of £1,231,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. It is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

c. Material investments policy

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

Plans for the future

a. Future developments

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

Funds held as custodian

The Professional Learning Network is a Teaching School Alliance funded by the National College for Teaching and Leadership which promotes the training and development of teachers and school leaders.
Balance as at 31 August 2013 - £109,165.

North East Braintree Inclusion Network is a cluster of Primary schools funding the ETAMHS project (Essex TArgeting eMOtional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools inclusion agenda and work with other agencies to achieve these common goals through early intervention.
Balance at 31 August 2013 - £7,505.

Royal Opera House Bridge is funded by the Arts Council England to support and develop young people's creative learning. Working in partnership with Braintree alliance schools to deliver the Braintree Dance Initiative establishing a new dance training programme with school staff to create new dance opportunities for children.
Balance as at 31 August 2013 - £10,140.

Disclosure of information to auditors

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**Trustees' Report (continued)
For the Period Ended 31 August 2013**

In so far as the trustees are aware:

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

Auditors

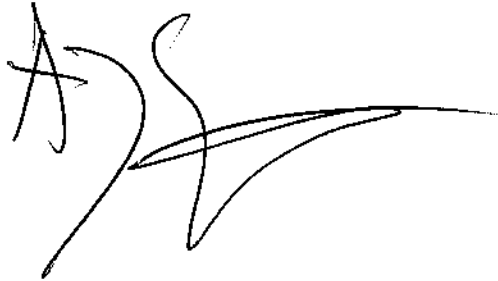
The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees on 25 November 2013 and signed on its behalf by:

**John O'Shea
Chair**



**Andrew Smith
Trustee**



LEARNING PATHWAYS ACADEMY
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Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
John O'Shea, Chairman	2	4
Rachel Pritchard	4	4
Andrew Smith	4	4
Gavin Bradley	4	4
Martin North	3	4
Jo Olley	4	4
Alison Fiala	3	4
Chris Smith	3	4
Simon Pratt-Adams	3	4

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning Pathways Academy for the period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the board of trustees 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 bought in internal audit service from the local authority offers assurance to the board of trustees that financial controls are working and on a termly basis, the RO reports any findings to the board of trustees.

The Trust has a qualified accountant on the board of trustees and local governing body of Lyons Hall Primary School who is able to support the school with the discharge of its financial obligations as set out by the Academies Financial Handbook and the Accounting Directive 2013 issued by the EFA.

The internal auditor and RO's have delivered their schedule of work as planned. Findings and any required remedial action has been presented to the local governing bodies and board of trustees for review.

Review of Effectiveness

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

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

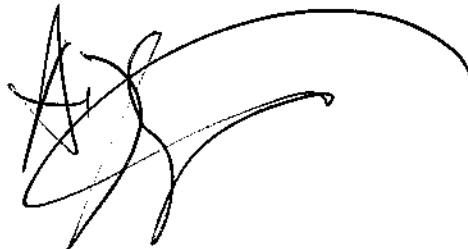
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the local governing body Finance Committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 25 November 2013 and signed on their behalf, by:

**John O'Shea
Chair**



**Andrew Smith
Accounting Officer**



LEARNING PATHWAYS ACADEMY
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Statement on Regularity, Propriety and Compliance

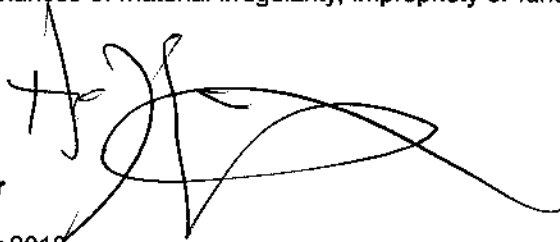
As Accounting Officer of Learning Pathways Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

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 (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Andrew Smith
Accounting Officer

Date: 25 November 2013

A handwritten signature in black ink, appearing to be 'Andrew Smith', written over a faint horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**LEARNING PATHWAYS ACADEMY
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**Trustees' Responsibilities Statement
For the Period Ended 31 August 2013**

The trustees (who act as governors of Learning Pathways Academy and are also the directors of the charitable company for the purposes of company law) 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 25 November 2013 and signed on its behalf by:



**John O'Shea
Chair**

LEARNING PATHWAYS ACADEMY
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Independent Auditors' Report to the Members of Learning Pathways Academy

We have audited the financial statements of Learning Pathways Academy for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy 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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

LEARNING PATHWAYS ACADEMY
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Independent Auditors' Report to the Members of Learning Pathways Academy

Matters on which we are required to report by exception

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

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



Alastair Crawford FCA (Senior Statutory Auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 25/12/13

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Independent Reporting Auditors' Assurance Report on Regularity to Learning Pathways Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Pathways Academy during the period 9 March 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learning Pathways Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning Pathways Academy and 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 Learning Pathways Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Learning Pathways Academy's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Learning Pathways Academy's funding agreement with the Secretary of State for Education dated 30 March 2012, and the Academies Financial Handbook extant from 2006, 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. 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 9 March 2012 to 31 August 2013 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 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's income and expenditure.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**Independent Reporting Auditors' Assurance Report on Regularity to Learning Pathways Academy and
the Education Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 9 March 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 29/12/13

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Statement of Financial Activities
For the Period Ended 31 August 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Incoming resources					
Incoming resources from generated funds:					
Transfers on conversion	2	252,974	-	7,127,249	7,380,223
Other voluntary income	2	6,620	-	-	6,620
Activities for generating funds	3	255,234	639,920	-	895,154
Investment income	4	1,638	-	-	1,638
Incoming resources from charitable activities	5	-	5,971,877	133,667	6,105,544
Other incoming resources	6	-	27,568	-	27,568
Total incoming resources		516,466	6,639,365	7,260,916	14,416,747
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	7	214,070	-	-	214,070
Charitable activities		-	5,440,790	252,025	5,692,815
Governance costs	8	-	32,730	-	32,730
Total resources expended	11	214,070	5,473,520	252,025	5,939,615
Net incoming resources before transfers		302,396	1,165,845	7,008,891	8,477,132
Transfers between Funds	22	-	(60,515)	60,515	-
Net incoming resources before revaluations		302,396	1,105,330	7,069,406	8,477,132
Defined benefit pension scheme transfer on conversion		-	(940,000)	-	(940,000)
Actuarial gains and losses on defined benefit pension schemes		-	(283,000)	-	(283,000)
Net movement in funds for the year		302,396	(117,670)	7,069,406	7,254,132
<i>Total funds at 9 March 2012</i>		-	-	-	-
Total funds at 31 August 2013		302,396	(117,670)	7,069,406	7,254,132

All of the academy's activities derive from acquisitions in the current financial period.

The notes on pages 22 to 43 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Summary Income and Expenditure Account
For the Period Ended 31 August 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Total income		516,466	13,900,281	14,416,747
Less: Total expenditure		214,070	5,725,545	5,939,615
Net income for the period	22	<u>302,396</u>	<u>8,174,736</u>	<u>8,477,132</u>

The notes on pages 22 to 43 form part of these financial statements.

Statement of Total Recognised Gains and Losses
For the Period Ended 31 August 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Net income for the period	22	302,396	8,174,736	8,477,132
Gains and losses on revaluations of investment assets		-	(940,000)	(940,000)
Actuarial gain related to pension scheme	29	-	(283,000)	(283,000)
Total gains and losses recognised since 9 March 2012	22	<u>302,396</u>	<u>6,951,736</u>	<u>7,254,132</u>

There is no difference between the income on ordinary activities for the period stated above and its historical cost equivalent.

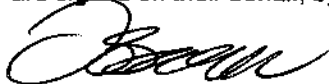
The notes on pages 22 to 43 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)
Registered number: 07984238

Balance Sheet
As at 31 August 2013

	Note	£	2013 £
Fixed assets			
Tangible assets	18		7,069,406
Current assets			
Stocks	19	12,193	
Debtors	20	130,828	
Cash at bank and in hand		1,469,906	
		<u>1,612,927</u>	
Creditors: amounts falling due within one year	21	(197,201)	
Net current assets			<u>1,415,726</u>
Total assets less current liabilities			<u>8,485,132</u>
Defined benefit pension scheme liability	29		<u>(1,231,000)</u>
Net assets including pension scheme liabilities			<u><u>7,254,132</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	22	1,113,330	
Restricted fixed asset funds	22	7,069,406	
		<u>8,182,736</u>	
Restricted funds excluding pension liability		8,182,736	
Pension reserve		<u>(1,231,000)</u>	
Total restricted funds			6,951,736
Unrestricted funds	22		<u>302,396</u>
Total funds			<u><u>7,254,132</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 25 November 2013 and are signed on their behalf, by:


John O'Shea
Chair of Trustees

The notes on pages 22 to 43 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Cash Flow Statement
For the Period Ended 31 August 2013

	Note	2013 £
Net cash flow from operating activities	24	8,789,747
Returns on investments and servicing of finance	25	1,590
Capital expenditure and financial investment	25	(7,321,431)
Increase in cash in the period		<u><u>1,469,906</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Period Ended 31 August 2013

	2013 £
Increase in cash in the period	<u>1,469,906</u>
	<u>-</u>
Movement in net funds in the period	<u><u>1,469,906</u></u>
Net funds at 31 August 2013	<u><u>1,469,906</u></u>

The notes on pages 22 to 43 form part of these financial statements.

**LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Period Ended 31 August 2013**

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

1. Accounting Policies (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

1.5 Resources expended

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

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

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

Governance costs include the costs attributable to the academy'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.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

1. Accounting Policies (continued)

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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

The valuation for leasehold and freehold property is taken from the Mouchel desktop valuation completed for the EFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

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

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

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Taxation

The academy 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 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 purpose.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

1. Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy 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.

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

1.12 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Lyons Hall Primary School and Coppins Green Primary School to an 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 Learning Pathways Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

2. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfers on conversion	252,974	7,127,249	7,380,223
Donations	6,620	-	6,620
Voluntary income	259,594	7,127,249	7,386,843

3. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Catering income	-	128,613	128,613
School trip income	123,195	-	123,195
Nursery fee income	-	46,964	46,964
Other income	73,467	-	73,467
Letting income	18,290	-	18,290
Training income	1,757	-	1,757
NEBIN income	38,525	-	38,525
Consulting fees	-	464,343	464,343
	255,234	639,920	895,154

4. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	1,638	-	1,638

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

5. Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	4,305,726	4,305,726
Start up grants	-	209,238	209,238
Mainstreamed grants income	-	160,336	160,336
Pupil Premium	-	240,361	240,361
Other DfE/EFA grants	-	60,343	60,343
	<hr/>	<hr/>	<hr/>
	-	4,976,004	4,976,004
Other government grants			
Teacher training programme	-	73,000	73,000
Nursery education grant	-	152,375	152,375
GROW Project	-	170,000	170,000
AEN	-	426,010	426,010
Other government grants	-	174,488	174,488
	<hr/>	<hr/>	<hr/>
	-	995,873	995,873
Capital funding			
Devolved formula capital	-	133,667	133,667
	<hr/>	<hr/>	<hr/>
	-	133,667	133,667
	<hr/>	<hr/>	<hr/>
	-	6,105,544	6,105,544
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Other incoming resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Insurance income	-	27,568	27,568
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. Costs of generating voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
School trip expenses	163,258	-	163,258
NEBIN fees	30,700	-	30,700
Other expenses	20,112	-	20,112
	<hr/>	<hr/>	<hr/>
	214,070	-	214,070
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

8. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditor's remuneration	-	15,600	15,600
Legal and professional fees	-	17,130	17,130
	<u>-</u>	<u>32,730</u>	<u>32,730</u>

9. Direct costs

	Educational operations £	Total 2013 £
Educational supplies	80,850	80,850
Examination fees	21,584	21,584
Educational consultancy	19,062	19,062
Other direct costs	19,265	19,265
Wages and salaries	2,740,335	2,740,335
National insurance	206,384	206,384
Pension cost	463,404	463,404
	<u>3,550,884</u>	<u>3,550,884</u>

10. Support costs

	Educational operations £	Total 2013 £
LGPS charges	52,000	52,000
Recruitment and support	19,390	19,390
Maintenance of premises and equipment	170,217	170,217
Cleaning	62,160	62,160
Rent & rates	229,890	229,890
Light & heat	61,732	61,732
Insurance	79,680	79,680
Security & transport	38,690	38,690
Catering	189,148	189,148
Computer costs	35,284	35,284
Printing, postage and stationery	68,593	68,593
Other support costs	111,214	111,214
Loss on disposal of fixed assets	2,050	2,050
Wages and salaries	619,254	619,254
National insurance	23,654	23,654
Pension cost	129,000	129,000
Depreciation	249,975	249,975
	<u>2,141,931</u>	<u>2,141,931</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

11. Analysis of resources expended by expenditure type

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Costs of generating voluntary income	-	-	214,070	214,070
Costs of generating funds	-	-	214,070	214,070
Direct costs	3,410,123	-	140,761	3,550,884
Support costs	771,908	249,975	1,120,048	2,141,931
Charitable activities	4,182,031	249,975	1,260,809	5,692,815
Governance	-	-	32,730	32,730
	4,182,031	249,975	1,507,609	5,939,615

12. Net incoming resources

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets: - owned by the charity	249,975
Auditor's remuneration	15,600
	265,575

13. Auditors' remuneration

	2013 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,250
Fees payable to the academy's auditor and its associates in respect of: All other services	6,350
	14,600
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of: The auditing of accounts of the scheme(s)	1,000
	15,600

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

14. Staff costs

Staff costs were as follows:

	2013 £
Wages and salaries	3,359,589
Social security costs	230,038
Other pension costs (Note 29)	592,404
	4,182,031
Supply teacher costs	19,265
	4,201,296

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	2013 No.
Teachers	46
Administration and support staff	81
Management	6
	133
	133

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

	2013 No.
In the band £70,001 - £80,000	2
In the band £110,001 - £120,000	1
	3
	3

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contribution for these members of staff amounted to £33,770.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

15. Trustees' remuneration and expenses

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration over the extended period and including pension contributions fell within the following bands:

	2013 £
A Smith (17 month period)	120,000-125,000
R Pritchard (17 month period)	85,000-90,000
G Bradley (12 month period)	80,000-85,000

During the period ended 31 August 2013, expenses totalling £288 were reimbursed to 3 Trustees.

16. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,730.

The cost of this insurance is included in the total insurance cost.

17. Other finance income

	2013 £
Expected return on pension scheme assets	7,000
Interest on pension scheme liabilities	(59,000)
	<hr/>
	(52,000) <hr/>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

18. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Assets on conversion	3,351,000	3,509,000	196,639	70,610	7,127,249
Additions	37,882	87,346	-	68,954	194,182
Disposals	-	-	-	(2,050)	(2,050)
At 31 August 2013	<u>3,388,882</u>	<u>3,596,346</u>	<u>196,639</u>	<u>137,514</u>	<u>7,319,381</u>
Depreciation					
Charge for the period	64,713	83,278	36,080	65,904	249,975
At 31 August 2013	<u>64,713</u>	<u>83,278</u>	<u>36,080</u>	<u>65,904</u>	<u>249,975</u>
Net book value					
At 31 August 2013	<u><u>3,324,169</u></u>	<u><u>3,513,068</u></u>	<u><u>160,559</u></u>	<u><u>71,610</u></u>	<u><u>7,069,406</u></u>

19. Stocks

	2013 £
Uniform stock	<u>12,193</u>

20. Debtors

	2013 £
Trade debtors	38,614
VAT	14,608
Prepayments and accrued income	77,606
	<u>130,828</u>

**21. Creditors:
Amounts falling due within one year**

	2013 £
Trade creditors	22,373
Other taxation and social security	66,141
Other creditors	45,592
Accruals and deferred income	63,095
	<u>197,201</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2013

21. Creditors:
Amounts falling due within one year (continued)

	£
Deferred income	
Resources deferred during the year	6,456

22. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted fund	-	516,466	(214,070)	-	-	302,396
Restricted funds						
General Annual Grant (GAG)	-	4,305,726	(3,391,489)	(60,515)	-	853,722
Other DfE/EFA grants	-	60,343	(60,343)	-	-	-
Mainstreamed Grants	-	160,336	(160,336)	-	-	-
AEN funding	-	426,010	(426,010)	-	-	-
Pupil Premium	-	240,361	(240,361)	-	-	-
Start Up Grant	-	209,238	(209,238)	-	-	-
Nursery funding	-	199,339	(182,434)	-	-	16,905
GROW Project	-	170,000	(62,562)	-	-	107,438
Teacher training programme	-	73,000	(73,000)	-	-	-
Other Government Grants	-	174,488	(39,223)	-	-	135,265
Other generated funds	-	620,524	(620,524)	-	-	-
Pension reserve	-	-	(8,000)	-	(1,223,000)	(1,231,000)
	-	6,639,365	(5,473,520)	(60,515)	(1,223,000)	(117,670)
Restricted fixed asset funds						
Assets held for depreciation	-	7,127,249	(252,025)	60,515	-	6,935,739
Devolved capital formula	-	133,667	-	-	-	133,667
	-	7,260,916	(252,025)	60,515	-	7,069,406
Total restricted funds	-	13,900,281	(5,725,545)	-	(1,223,000)	6,951,736
Total of funds	-	14,416,747	(5,939,615)	-	(1,223,000)	7,254,132

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Notes to the Financial Statements
For the Period Ended 31 August 2013

22. Statement of funds (continued)

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

Whitehall Academy	486,251
Lyons Hall Primary School	929,475
	<hr/>
Total before fixed asset fund and pension reserve	1,415,726
Restricted fixed asset fund	7,069,406
Pension reserve	(1,231,000)
	<hr/>
Total	<u>7,254,132</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciatio n £	Total £
Whitehall Academy	1,651,590	396,291	32,595	647,964	2,728,440
Lyons Hall Primary School	1,761,449	348,575	46,353	804,823	2,961,200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,413,039</u>	<u>744,866</u>	<u>78,948</u>	<u>1,452,787</u>	<u>5,689,640</u>

LEARNING PATHWAYS ACADEMY
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Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	-	516,466	(214,070)	-	-	302,396
Restricted funds	-	6,639,365	(5,473,520)	(60,515)	(1,223,000)	(117,670)
Restricted fixed asset funds	-	7,260,916	(252,025)	60,515	-	7,069,406
	<u>-</u>	<u>14,416,747</u>	<u>(5,939,615)</u>	<u>-</u>	<u>(1,223,000)</u>	<u>7,254,132</u>

23. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	7,069,406	7,069,406
Current assets	302,396	1,310,531	-	1,612,927
Creditors due within one year	-	(197,201)	-	(197,201)
Provisions for liabilities and charges	-	(1,231,000)	-	(1,231,000)
	<u>302,396</u>	<u>(117,670)</u>	<u>7,069,406</u>	<u>7,254,132</u>

24. Net cash flow from operations

	2013 £
Net incoming resources before revaluations	8,477,132
Returns on investments and servicing of finance	(1,590)
Depreciation of tangible fixed assets	249,975
Increase in stocks	(12,193)
Increase in debtors	(130,828)
Increase in creditors	197,201
Disposal of fixed assets	2,050
FRS 17 adjustments	8,000
Net cash inflow from operations	<u><u>8,789,747</u></u>

25. Analysis of cash flows for headings netted in cash flow statement

	2013 £
Returns on investments and servicing of finance	
Interest received	<u><u>1,590</u></u>

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Notes to the Financial Statements
For the Period Ended 31 August 2013

25. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(194,182)
Exceptional item	(7,127,249)
	(7,321,431)
Net cash outflow capital expenditure	(7,321,431)

26. Analysis of changes in net funds

	9 March 2012 £	Cash flow £	31 August 2013 £
Cash at bank and in hand:	-	1,469,906	1,469,906
Net funds	-	1,469,906	1,469,906

27. Conversion to an academy trust

On 1 April 2012 Lyons Hall Primary School and on 1 September 2012 Coppins Green Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learning Pathways Academy from Essex County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	6,860,000	6,860,000
- Other tangible fixed assets	-	-	267,249	267,249
Budget surplus/(deficit) on LA funds	164,656	-	-	164,656
Budget surplus/(deficit) on other school funds	88,318	-	-	88,318
LGPS pension surplus/(deficit)	-	(940,000)	-	(940,000)
Net assets/(liabilities)	252,974	(940,000)	7,127,249	6,440,223

The above net assets/liabilities include £252,974 that were transferred as cash.

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Notes to the Financial Statements
For the Period Ended 31 August 2013

28. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

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Notes to the Financial Statements
For the Period Ended 31 August 2013

29. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of

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Notes to the Financial Statements
For the Period Ended 31 August 2013

29. Pension commitments (continued)

earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £227,000, of which employer's contributions totalled £173,000 and employees' contributions totalled £54,000. The agreed contribution rates for future years are 12.3% for employers and a variable percentage for employees depending on their salary level.

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

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**Notes to the Financial Statements
For the Period Ended 31 August 2013**

29. Pension commitments (continued)

As described in note 27 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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Notes to the Financial Statements
For the Period Ended 31 August 2013

29. Pension commitments (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	160,000
Bonds	4.40	22,000
Property	5.60	28,000
Gilts	4.40	20,000
Cash	0.50	7,000
Alternative assets	4.40	10,000
Total market value of assets		<u>247,000</u>
Present value of scheme liabilities		<u>(1,478,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,231,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2013 £
Present value of funded obligations	(1,478,000)
Fair value of scheme assets	<u>247,000</u>
Net liability	<u><u>(1,231,000)</u></u>

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

	2013 £
Current service cost	(129,000)
Interest on obligation	(59,000)
Expected return on scheme assets	<u>7,000</u>
Total	<u><u>(181,000)</u></u>
Actual return on scheme assets	<u><u>20,000</u></u>

LEARNING PATHWAYS ACADEMY
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Notes to the Financial Statements
For the Period Ended 31 August 2013

29. Pension commitments (continued)

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

	2013 £
Current service cost	129,000
Interest cost	59,000
Contributions by scheme participants	54,000
Actuarial Losses	296,000
Defined benefit obligation on conversion	940,000
	1,478,000
	1,478,000

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

	2013 £
Expected return on assets	7,000
Actuarial gains and (losses)	13,000
Contributions by employer	173,000
Contributions by employees	54,000
	247,000
	247,000

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

	2013
Equities	65.00 %
Gilts	8.00 %
Other Bonds	9.00 %
Property	11.00 %
Cash	3.00 %
Alternative assets	4.00 %

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

	2013
Discount rate for scheme liabilities	4.70 %
Rate of increase in salaries	4.70 %
Rate of increase for pensions in payment / inflation	2.90 %
Inflation assumption (CPI)	2.90 %
RPI Increase	3.70 %

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Notes to the Financial Statements
For the Period Ended 31 August 2013

29. Pension commitments (continued)

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

	2013
Retiring today	
Males	22.7
Females	25.3
Retiring in 20 years	
Males	24.2
Females	26.9

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(1,478,000)
Scheme assets	247,000
Deficit	<u>(1,231,000)</u>
Experience adjustments on scheme liabilities	(296,000)
Experience adjustments on scheme assets	<u>13,000</u>

30. Operating lease commitments

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013 £
Expiry date:	
Between 2 and 5 years	<u>5,005</u>

31. Related party transactions

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

During the period the academy had the following related party transactions:

- £5,130 with Anglia Ruskin University, whereby a trustee S Pratt-Adams is deputy dean.

These transactions were conducted on normal commercial terms without the exercise of any influence by the related party involved.