

Company Registration No. 07903002 (England and Wales)

THE ACTIVE LEARNING TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

THE ACTIVE LEARNING TRUST LIMITED

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THE ACTIVE LEARNING TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr Gary Peile
Mr Clive Bush
Ms Lesley Adams
Ms Marilyn Toft
Mr David Bateson OBE
Ms Marion Lloyd
Mr Mark Kerr
Mr Jeremy Beswick
Mrs Jacqueline Cutchey
The Hon R G Hely Hutchinson (Appointed 6 October 2015)
Mr S Staite (Appointed 6 October 2015)

Members

Ms Lesley Adams
Ms Marion Lloyd
Mr Clive Bush (resigned 15/07/2016)
Mr Gary Peile (resigned 15/07/2016)
Mr Robert Dool (appointed 15/07/2016)
Mrs Helen Capron (appointed 15/07/2016)

Senior management team

- Chief Executive
- Chief Adviser
- Director of Human Resources
- Director of School Improvement & Development
- Director of Finance & Operations
- Director of Professional Development

Mr Gary Peile
Mr Clive Bush
Mrs Janice Steel
Mr David Hilton

Mr Clive Paskell
Ms Marilyn Toft

Company secretary

Mrs Karen Jarvis

Company registration number

07903002 (England and Wales)

Registered office

c/o Isle of Ely Primary School
Off Cam Drive
Ely
Cambridgeshire
CB6 2FG
England

THE ACTIVE LEARNING TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
The Neale-Wade Academy	March	Mr J Wing (Executive Headteacher *)
Burrowmoor Academy	March	Ms A McCarthy *
Westwood Academy	Lowestoft	Mrs R Aldous
Gusford Primary School	Ipswich	Mr C Tapscott
Chesterton Primary School	Cambridgeshire	Ms B Surtees (Executive Headteacher)
Red Oak Primary School	Lowestoft	Mrs H Madsen
Grove Primary School	Lowestoft	Mrs A Hall
Sidegate Primary School	Ipswich	Ms W James
Hillside Primary School	Ipswich	Mr L Abbott
Kingsfield Primary School	Chatteris	Ms A Evans
Pakefield Primary School	Lowestoft	Mr M Payne
Reydon Primary School	Southwold	Mrs J Viner
Isle of Ely Primary School	Cambridgeshire	Ms B Surtees (Executive Headteacher)
Chantry Academy	Ipswich	Mr C D'Cunha
Independent auditor	SBM Associates Limited, trading as SBM & Co 24 Wandsworth Road London SW8 2JW	
Solicitors	Mullis & Peake 8 - 10 Eastern Road Romford Essex RM1 3PJ	

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust was incorporated on 9 January 2012 as a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Active Learning Trust Limited are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Principal activities

The Trust's activities are governed by the Articles of Association which specifies the role as being to advance for the public benefit education in the United Kingdom, in particular to establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum provision for pupils with Special Educational Needs ("the Special Academies").

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Trust maintains directors' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in their capacity as trustees of the Trust.

Method of recruitment and appointment or election of trustees

There were four members of the Trust at the year end: Marion Lloyd, Lesley Adams, Robert Dool and Helen Capron, who have the authority to appoint up to 10 trustees. Robert Dool and Helen Capron have become members following the resignation of Mr Peile and Mr Bush. The articles of the Trust allow the trustees to appoint additional co-opted members. In determining membership of the Trust board, the members take into account the skills, knowledge and experience of potential trustees. In addition the members seek to ensure that all trustees have a passion for education and a determination to assist the Trust management in securing improvement of attainment in Trust schools. The Board similarly takes into account the skills, knowledge and experience of potential trustees who could then be co-opted to join the board.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of trustees

Trustees have been made aware of their responsibilities and new trustees are provided with an induction pack prior to joining the board. New trustees are invited to attend one board meeting prior to accepting office and have the opportunity to meet our Chair, Chief Executive and Company Secretary prior to taking up their role. We also encourage trustees to visit schools that form part of the Trust to understand their role in the wider work of the Trust.

We have sought to continue our programme to ensure our trustees are updated on their responsibilities and have, for example, used the development of our policy statements across the trust to explain the relationships between the board, its local bodies and schools. In addition we have used the scheme of delegation to further explain those positions. We have also used the growing relationship with our schools to examine in more detail the financial and school improvement responsibilities of our trustees and have used the review of governance across Multi Academy Trusts (MATs) carried out in January 2015 by the All Parliamentary Group on Education Governance and Leadership, supported by the National Governors Association to aid our examination of the effectiveness of the board. This review provided many positive comments on our governance and provided Trustees with areas of improvement that will be subject to further work in 2016/17.

Organisational structure

The Trust board has established two committees to undertake detailed examination of aspects of the Trust's operation. These committees are:

- Remuneration and Personnel
- Finance and Audit (Audit Committee was previously a separate Committee but has been brought back within Finance following changes to the guidance in the Academies Finance Handbook effective from 1 September 2015)

The minutes of each committee are received by the Board and the chair of each committee reports back to the board on its work. The terms of reference for each committee are reviewed annually. The Trust board retains responsibility for oversight of the work of the Trust on school improvement activities and the key decisions around finance and personnel.

Each school operates with a local governing body, whose work is governed by a scheme of delegation. In addition, the Trust has agreed manuals with schools that set out the delegated responsibilities within each school.

The Chief Executive, Gary Peile, is the accounting officer for the Active Learning Trust. The Board has established that day to day decision making rests with the Chief Executive and his senior team and the Chief Executive reports back to the Board at each meeting with both a record of work of the Trust since the last meeting and with potential changes in the workload of the Trust which may impact on resourcing.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Academy Trust's key management personnel are reviewed by the Personnel & Remuneration Committee on behalf of the Trust Board.

For key management staff based in schools an annual Whole School Pay Policy is applied in which the Trust follows the pay and conditions arrangements from the national provisions used for maintained schools in England and Wales - both for teachers and support staff. The teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spines as they are applied in the Local Authority areas in which the academies are based.

For key management staff employed directly by the central team of the Trust, and so not based in schools, a specific central team Pay Policy, approved by the Personnel & Remuneration Committee of the Trust Board is applied. Salaries are based on an evaluation of the individual roles and responsibilities of the post taking into account market rate factors, comparability of responsibilities and differentials. An annual performance pay appraisal is undertaken which is reported to the Trust Board and changes in salaries which result are with the Board's approval.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The Active Learning Trust's prime aim is to establish, maintain and develop academy schools offering a broad and balanced curriculum. The Trust exists to enable all pupils in its schools to achieve to the best of their ability in all that they do. In order to do this the Trust has gained DfE approval as a multi Academy sponsor and has drawn together a number of senior professionals to aid its delivery. The key object of the Active Learning Trust is to raise standards of education in those schools approved to join the Trust by the Secretary of State. The Trust does this through developing and implementing school improvement activities designed to ensure that every pupil attending an Active Learning Trust school has the opportunity to access a broad and balanced curriculum that is based upon (but is extended beyond) the National Curriculum. The Trust board reviewed its aims, following consultation with headteachers, in July 2016 and have adopted a wider set of aims that can be found on our website <http://activelearningtrust.org/about/our-aims>.

As part of its work, the Trust seeks to ensure that its schools have access to evidenced based school improvement activities that will support the achievement of pupils and also has access to resources and experience of other organisations with whom partnerships have the potential to help meet the overall aim of the Trust.

Objectives, strategies and activities

Our vision is to raise standards in all the schools and settings we work with so that they can become outstanding. We will do this by maximising our impact at school level, both with schools in need of significant improvement and with those that are already good and we will work with currently outstanding schools both to maintain that judgement and use their expertise to support others. Through this approach we will build a broad professional partnership of Academies that share the same vision and values represented by the Trust.

Specifically we will:

- Support the drive to raise standards in the lowest performing schools, through sponsorship and the deployment of our own team of experienced school improvers and with the support of existing high performing schools
- Continually improve our capacity to ensure that the quality of what we deliver remains at an outstandingly high level by ensuring there are strong systems of performance management in place in all schools to support improvement, seeking out and valuing excellent performance and by ensuring good value for money
- Ensure the delivery of high quality education through our Academies to support pupils across all age ranges from the early years to post 16
- Work with Local Authorities on school organisation issues to address local communities' demand for the provision of high quality school places locally
- Develop the leadership, management and governance in all our schools so that we grow and maintain the best leaders, and act as a "Training School" network to grow the next generation of effective teachers, school leaders, support staff and governors
- Establish a strong professional partnership of Active Learning Trust Academies so that they can stimulate and support each other across all aspects of teaching and learning and leadership and management.
- Provide value for money services to our schools that minimise administration locally and maximise the potential for our managers to be leaders in their schools. The Trust will fully utilise cutting edge IT systems to provide cost effective solutions and operations within and across its schools.
- Ensure as a business, the Trust maximises the potential for income and maintains a high level of control on costs which provides long term security for the Trust and its schools.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trust's approved business plan sets out the aspiration to grow with between 8 and 9 schools based in regional hubs and this growth is now being realised with 14 schools already in the Trust, 3 more joining early 2016/17 and a further 4 new schools planned to join in the next two years. Current list of schools:

The Neale-Wade Academy, March, Cambridgeshire - 1 April 2013
Burrowmoor Primary School, March, Cambridgeshire - 1 July 2013
Gusford Primary School, Ipswich, Suffolk - 1 August 2013
Westwood Primary School, Lowestoft, Suffolk - 1 August 2013
Chesterton Primary School, Cambridge, Cambridgeshire - 1 September 2013
Fen Park Primary School (re-named as Red Oak Primary School), Lowestoft Suffolk - 1 March 2014
Grove Primary School, Lowestoft, Suffolk - 1 May 2014
Sidegate Primary School, Ipswich, Suffolk - 1 May 2014
Hillside Primary School, Ipswich, Suffolk - 1 July 2014
Kingsfield Primary School, Chatteris, Cambridgeshire - 1 July 2014
Isle of Ely Primary School, Ely, Cambridgeshire – 1 September 2015
Pakefield Primary School, Lowestoft, Suffolk – 1 January 2015
Reydon Primary School, Lowestoft, Suffolk – 1 March 2015
Chantry Academy, Ipswich, Suffolk – 1 September 2015

Highfield Ely Academy – joined the Trust on 1st September 2016

Albert Pye Primary School and Ravensmere Infant School – join the Trust on 1st October 2016

Public benefit

Trustees have, as part of their overall role, ensured that the Trust has undertaken its role to support all pupils in all the schools approved to be part of the Trust. As a Trust, the Board recognises its responsibility for the sound management of public funds and to enable the focus of the Trust to be on the prime objective to support pupils to maximise their potential. All funds are used to deliver the objectives of the Trust. There are no shareholders of the Trust and, therefore, all funds are utilised to deliver the aims of the Trust.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Key performance indicators

Our KPIs are primarily related to the setting and evaluation of targets at school level for pupil performance. These targets are regularly monitored through detailed meetings between our Chief Executive and the relevant headteacher and reported to our board through regular reports from the Chief Executive.

In terms of the trust itself our key performance indicators relate to our position in terms of the number of schools we intend to support as academies. As at 31st August 2016 this was against an overall target of up to 9 schools in each of our regional hubs. Alongside this is the need for our constant review of the budget position as the Trust grows.

ALT has developed a strong locally based hub network of schools that work in partnership to achieve the outcomes described below.

Within one year of transfer all ALT schools will have:

- a fully reviewed curriculum and assessment model and be on a secure footing for sustained improvement
- evidence of clear improvements in the expected progress of pupils in reading writing and mathematics
- consistently good or better teaching
- established staffing structures to meet the requirement of the new national curriculum and rapid improvement
- contracts reviewed to ensure maximum value for money
- established and effective Local Governing Bodies with training and regular updates
- systems for making highly effective use of individual pupil data to effect improvement
- attendance in line with or better than the national average

Within two full academic years no sponsored school will be below floor targets.

Within two years the KS1 and 2 outcomes in English and Maths will rise in our sponsored academies by a minimum of 10% and continue accelerated progress until they reach and exceed national expectations. This will be achieved through a strong and consistent focus on the core subjects and verified through internal and external lesson judgements against Ofsted criteria.

It is important to also define success more broadly than KS2 targets alone and ALT expects improvements in the following areas:

- Improvement in planning and innovation.
- School self-evaluation and the reviewing and monitoring of progress for continuous improvement.
- Joint working across hubs to share and seed effective practice
- The establishment of a strong professional partnership of school leaden; who share responsibility for the success of the Trust and the outcomes for all its pupils

	2016	2016	2017
	Target	Actual	Target
Teaching staff costs as a % of total outgoing resources	68%	58.6%	50%
Total staff costs as a % of total outgoing resources	75%	73.8%	80%
	£'000	£'000	£'000
Total incoming resources from charitable activities	22,600	32,398	37,750
Net current assets	2,100	5,025	4,465

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

Primary and Secondary – Hub Based

LOWESTOFT HUB	
Priorities	
CORE	
- To ensure: - The effectiveness of strategic planning in all schools (see above for identified good practice.) - The consistent use of good assessment practice in all schools. - A Trust wide vision for EYFS - Implementation of recommendations from CW report - As a Hub, an EYFS Steering Group Meeting is planned for 14.09.16 to consider: 30 hours/full day - Induction - Marketing - Consistency for timeline in Hub schools - Assessment and curriculum development has been reviewed by HTs and will now be led by the Assessment and Standards Team. To ensure robust outcomes AR will co-ordinate the programme but experienced senior colleagues will lead each group. Formal outcomes will be minuted and shared with HTs. - To ensure the impact of the Trust is effectively communicated to all stakeholders. - To embed the Trust Wide NQT programme - To engage with higher education providers to ensure we attract high quality staff.	
BACKGROUND	
- To effectively manage the implementation of the Talk4Writing programme. - To implement a targeted programme of development for DHTs/AHTs and Middle Leaders. - To ensure that ICT/Computing is being used to its full potential. - To explore how business managers could be used more effectively to seek external funding opportunities. - To engage with high quality national providers for joint school training.	
FUTURE	
To review PRU provision	

Attainment Data	Early Years Foundation Stage	Year 1 Phonics	Key Stage 1			Key Stage 2			Progress		
	Good Level of Development achievement		R	W	M	R	W	M	R	W	M
Grove	57.5%	84%	87%	82%	82%	77%	91%	86%	-0.6	-1.5	+0.8
Pakefield	72%	79%	75%	68%	75%	69%	64%	61%	-1.3	-3.0	-2.6
Red Oak	69%	85%	74%	65%	74%	54%	60%	60%	-0.8	-5.2	-1.3
Reydon	87%	85%	83%	77%	80%	55%	77%	59%	-1.1	-0.6	-3.1
Westwood	80.7%	65%	82%	75%	86%	50%	82%	86%	-1.9	0.6	+0.8

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Grove	The school is fully staffed and, having retained all colleagues, the quality of teaching is at least good. The leadership team is strong with clearly defined roles and responsibilities who consistently lead by example. The Deputy Headteacher also continues to provide teaching and learning support for schools within the Cambridge Hub. Pupil Premium pupils outperformed national benchmarks.
Pakefield	The previous Deputy Headteacher will be supporting identified year groups (based on prior data analysis) through lesson study. Maths remains a whole school focus. The previous Deputy Headteacher will be supporting Year 4 and Year 2 through lesson study;
Red Oak	Only one member of staff left Red Oak at the end of term and the school is now in a strong position at the start of the new year. A creative teaching model for Years 5 and 6 is in place to utilise individual teaching strengths and year group pairings have been revised suggesting capacity for teaching to be at least good. A priority for the Hub Lead is to monitor the effectiveness of this new structure and support programme.
Reydon	The new staffing structure, including a new Deputy Headteacher, now suggests that teaching is at least good. There is a clear focus throughout the school on effective induction programmes at all levels. Effective EYFS/Y1 transition has ensured that gaps in learning have been addressed in plans for the Autumn Term. Senior Leadership Team have analysed all KS2 outcomes and have clear plans in place to address developmental needs for 2017.
Westwood	Staffing in the school is secure. Senior and middle leaders provide effective leadership and management to support the Headteacher and Deputy

CAMBRIDGE HUB

Cambridge

The Cambridgeshire Hub brings together 6 schools:

- Burrowmoor Primary School (Nursery to Year 6), March
- Chesterton Primary School (Nursery to Year 3), East Chesterton, Cambridge
- Isle of Ely Primary School (Reception to Year 2), Ely
- Kingsfield Primary School (Nursery to Year 6), Chatteris
- Neale-Wade Academy (Year 7 to Year 13), March
- Highfield School Ely – (Eys to Year 14) – Special School (joined the Trust in Sept 16)

The hub meetings are now well established. A programme for meetings this year has been agreed, and all schools participate to strengthen school-to-school support.

Developmental visits are being arranged between all Trust schools.

The recent Trust heads' meeting was well received particularly the opportunity to hear from outstanding practitioners. All schools taking part in core CPD offered by the Trust.

The head teachers are enthusiastic about the ALT and are welcoming and appreciative of the professional support and challenge.

Priorities

- Leadership development and support
- Moderation activities led by cluster groups.
- Hub wide activities being developed

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Autumn Term 2016

Attainment Data	Early Years Foundation Stage	Year 1 Phonics	Key Stage 1			Key Stage 2			Progress		
	Good Level of Development achievement		R	W	M	R	W	M	R	W	M
Burrowmoor	59%		57%	45%	59%	77%	79%	73%	0.3	1.1	-0.9
Chesterton*	63%	84.6%	53%	39%	58%	n/a	n/a	n/a	n/a	n/a	n/a
Isle of Ely **	78%	86%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kingsfield	57%	79%	58%	43%	63%	52%	50%	60%	0.4	-1.7	0.6

	2016 results	2016	Trend
Progress 8	+0.24	-0.3	Up
Attainment 8	4.9	4.3	Up
Value Added – Best 8	1010.7+	984.8-	Up
Average Points Score	312	283.6	Up
5* A to C including English & Maths	60.4%	52%	Up
Baccalaureate	29.5%	21%	Up
English A*-C	83.5%	74%	Up
Maths A*-C	67%	61%	Up
Basics	63.3%	57.6%	Up
Expected Progress Maths	70.4%	63.7%	Up
Expected Progress English	92.2%	88%	Up

Burrowmoor	Appointment of new head teacher and interim deputy. Key priorities identified for Senior Leadership Team. There is a need to undertake a review of pupil premium funding to ensure best use has been made of the funding in an endeavour to close the attainment gap. There were large gains in attainment made from the teacher assessments in May to the test results, particularly in Grammar Punctuation and Spelling (+24%), reading (+11%) and writing (+39%). Moderation across the hub has been established.
Chesterton	Staffing in the school is secure with additional staff inducted into the team. New Year 3 class and teacher – new lead in KS1 transferred from Isle of Ely. Continuing Professional Development (CPD) programme is in place. Head of School has already made a significant start. * 19 children in this cohort of which only 9 were at school for all of Years 1 and 2
Isle of Ely	The school is fully staffed. However to achieve this, the Head of School and the Special Educational Needs Co-ordinator (SENCO) have had to take on a fulltime class teacher roles. An advert is being placed for an additional teacher. Review of Teaching and Learning in summer term – indicates potential for an outstanding judgement by Ofsted. ** The school opened in September 2015
Kingsfield	Leadership development – new deputy (also has SENCO responsibility, currently on Headteacher training programme), new team leaders, full complement of teaching staff Significant progress in Behaviour Management/Behaviours for learning – established the Kingsfield Code, Kingsfield Kites and review of rewards and sanctions. Refurbishment of parts of the building significant in creating appropriate expectations around learning and achievement. Results remain the main risk for both progress and attainment.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Neale Wade Academy	This year's results have proved to be the best the school has ever produced both in terms of attainment and progress. Rigorous monitoring, evaluation and pupil tracking has ensured that the school was able to make an accurate prediction of the results and this high level of confidence has proven successful in targeting underperformance and intervention. The quality of teaching and learning has also improved, as identified through monitoring and evaluation. Some of the practice at the school is approaching outstanding and the Trust is using this across the wider Trust. There are still some departments that need support, however there is now a culture of high expectation supported by very good levels of professional support across the academy.
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IPSWICH HUB

CORE

To use expertise within the Trust to analyse data which will enable expertise to be harnessed:

- To ensure the impact of the Trust is effectively communicated to all stakeholders.
- To embed the Trust Wide NQT programme
- To engage with higher education providers to ensure we attract high quality staff.

FUTURE

- To analyse the latest OFSTED Framework and ensure that all schools are inspection ready
- To develop ways of attracting high quality staff to ALT Ipswich
- Consider ways of running a pool of staff who can be moved as and when needed ie Maternity leave/ staff leaving mid year.
- Exploring a hub approach to alternative provision.

Autumn Term 2016

Attainment Data	Early Years Foundation Stage	Year 1 Phonics	Key Stage 1			Key Stage 2			Progress		
			R	W	M	R	W	M	R	W	M
	Good Level of Development achievement										
Gusford	62%	75%	74%	73%	81%	45%	73%	61%	-2.8	-0.9	-1.2
Hillside	64%	66%	48%	34%	44%	48%	41%	38%	-0.5	-5.0	-2.0
Sidegate	71%	83%	76%	69%	74%	57%	69%	57%	-1.5	-2.1	-2.4

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Chantry Academy	2015 (prior attainment -1.1)	2016 (Prior attainment -2.2)	Comments
Progress 8	-0.6 (-0.9 on results day 2015)	-0.1	An improvement of ½ a grade (+0.5) in every subject for each student across the 8 subjects based upon prior attainment starting point
% A*-C English and Maths	46	37	Both English and Maths results down from last year
% A*-C English	52	38	First year of whole cohort going through iGCSE. 25 students results going to appeal.
% Levels of Progress in English	60	74	+14 %
% Levels of Progress+ in English	15	28	+13 %
% A*- C Maths	57	42	-15 %
% Levels of Progress in Maths	57	43	-15 %
% Levels of Progress+ in Maths	10	13	+3 %
% 5+ A*-C including English & Maths	46	37	-9 %
% 5+ A*-C	50	43	-7 %

Gusford	Staffing continues to be a strength in the school. It plans well ahead which enables effective cover to be made. A new addition to the Senior Leadership Team will add strength to the team.
Hillside	Leadership is focused and very realistic about the challenges the school faces, Support needs to be developed to further strengthen leadership as it faces challenges regarding capacity. A detailed programme of activities and roles and responsibilities are evident in the comprehensive documents which form part of the School Development Plan. Whilst the results were very disappointing, particularly in combined scores, there is a strong focus on analysing and ensuring that all children are fully prepared for the tests.
Sidegate	Whilst the results are not a direct cause for concern when compared nationally, there remains a focus on identifying what needs to be done to improve the standards in the school.
Secondary School	
Chantry Academy	With lower than national starting points, pupils made satisfactory progress in Basics (En & Ma). Students need to improve understanding and use of language of maths across the curriculum. There needs to be an increased understanding of problem solving. The Senior Leadership Team has done an extensive analysis of the outcomes and recognises that more needs to be done to ensure learners are challenged and actively engaged in every lesson.

Going concern

The Multi-Academy funding agreement, together with the supplemental funding agreement with each school, provides certainty over funding from the Department of Education. Each separate supplemental agreement provides for at least 7 years approval for funding. At the time of writing this report, the Trust has approved the potential expansion of the Trust, through new provision, which will be increase income and allow the Trust to extend its operations to support the schools in their determination to raise standards.

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.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

Principal funding sources

The great majority of the Trust's income is derived from recurrent grants from the EFA (Education Funding Agency) to each of the individual Academies within the Trust. The use of these funds is restricted to the particular purpose of the grant. The grants received from the EFA in the period 1st September 2015 to 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Donations on the transfer of assets and liabilities from local authorities on conversion and transfer from another academy trust included in the Statement of Financial Activities amounted to £27,582,000 (2015: £6,133,000), in accordance with EFA requirements. Fixed Assets transferred at conversion are included in the Restricted Fixed Asset Fund. Within this total amount, deficits introduced on transfer in respect of the Local Government Pension Scheme (LGPS) amounted to £1,080,000 (2015: £610,000). The total deficit carried forward on the restricted fund pension reserve at 31 August 2016 in respect of new schools is shown as "Transfers of FRS17 deficits from Local Authorities" and amounted to £14,272,000 (2015: £7,280,000).

During the year ended 31st August 2016 the Trust received total income, including capital income, of £62,676,000 (2015: £33,817,000) of which £2,623,000 (2015: £1,786,000) was unrestricted income.

Total expenditure for the year ended 31st August 2016 amounted to £35,789,000 (2015: £27,833,000), of which staff costs of £26,630,000 (2015: £20,741,000) represented 74.4% (2015: 74.5%) of total expenditure

Total funds carried forward as at 31 August 2016 amounted to £107,821,000 (2015: £86,112,000).

Reserves policy

The trustees review the level of reserves held on an annual basis. This review encompasses the level and sustainability of current and future income streams, the need to match income with commitments, and the adequacy of reserves. The Trust's current level of reserves, both restricted and unrestricted, is as shown with the financial statements - see note 17.

The trustees have identified a target of between 5% and 8% of total income as an acceptable level for free reserves and schools are expected to aim for these levels, with any school falling above or below being questioned around solvency or the risk of carry too high balances at the annual budget planning stage. There is a clear expectation that reserves will be maintained at a level sufficient to cover delays between spending and receipt of grants and to provide a contingency to deal with unexpected emergencies.

There are no funds identified as reserves that can only be realised by disposal of tangible fixed assets.

The amount of unrestricted reserves held currently equates to 9.0% of total income (excluding the transfer from local authorities on conversion), which is within the overall parameters set by the Trust for levels of reserves.

Amount of total funds held as at 31 August 2016: £107,821,000 (2015: £86,112,000)

Restricted funds not available for general purposes of the academy trust at 31 August 2016: £104,646,000 (2015: £85,311,000)

Balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016: £4,767,000 (2015: £3,313,000).

Balance on unrestricted funds at 31 August 2016: £3,175,000 (2015: £801,000)

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trust also maintains one further fund, the LGPS fund. This represents the charitable company's share of the surplus or deficit of the Cambridgeshire CC and Suffolk CC pension funds, calculated in accordance with FRS17. Further details of the calculations and assumptions underlying the balance on this fund are set out in the financial statements. A deficit on the LGPS fund in relation to Chantry Academy amounting to £1,080,000 was introduced at 1 September 2015 when the school became part of the trust. In total, the academy trust's deficit carried forward on the LGPS fund increased from £7,280,000 at 31 August 2015 to £14,272,000 at 31 August 2016. A significant factor in the increase, according to the actuaries acting for the trust, Hymans Robertson, was the decrease in the discount rate net of inflation which to a higher cost of providing future pension benefits to staff within the scheme arising from their employee services.

Investment policy and powers

The Trust works with its bankers (Barclays PLC) to place surplus funds held in individual Academy accounts on deposit. This process does provide limited additional income and has been enhanced with the introduction this year of a Central Treasury Management system to combine funds and look for longer term deposits and achieve better interest income. Funds are only invested with the Trust bankers and this is regarded as a low risk strategy.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

As stated above, the Trust has a Finance and Audit committee which regularly reviews the Trust's risk register. The work of the Committee is then reported to the Board. The senior leadership team of the Trust (the Chief Executive and the senior officers of the Trust) are responsible for the regular review of the risk register for the Trust and for ensuring that contingency arrangements are put in place to reduce those risks.

Financial and risk management objectives and policies

Our objectives are to ensure that all schools across the Trust and the Trust itself, has policies and procedures in place that are clear and easily understood and implemented. We have continued to work with our partner, Handsam Ltd, to provide model health and safety policies both for the Trust and for each individual schools to implement locally. In addition to those policies, we have provided a range of policies across human resources, finance and procurement that are designed to ensure that all schools work in ways commensurate with their legal responsibilities and in ways which secure the financial position of the Trust.

The Trust operates a risk register which is reviewed and updated regularly and reported to the Trust's Audit Committee and then onto the Trust Board. In terms of risks, we have sought to implement the range of policies to act as countermeasures to those risks as well as maintaining effective communication across the Trust and its schools to ensure that risks are minimised.

Our uncertainties relate primarily to the timing of schools joining the Trust, which is outside of the Trust's decision making and the potential impact on budgets both by fluctuations in pupil numbers at school level (the main driver of budgets) and changes in the funding scheme for schools. To reduce the impact of these uncertainties we require longer term planning at school level, which provides prudent estimates of pupil numbers and keeping in contact with national proposals around funding. This enables us to make early decisions to protect the financial position of the Trust.

THE ACTIVE LEARNING TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

The Department for Education has confirmed that the Active Learning Trust is an approved sponsor for schools in Cambridgeshire and Suffolk. At the time of writing, the Trust has been accepted as sponsor for Littleport and East Cambridgeshire Academy and Highfield Littleport Academy and has been successful with a Free School bid to open a new primary school in Chatteris as well as a new Free School for central Ipswich. There is an outstanding bid with the DfE for the promotion of a Free School in Lowestoft and the Trust is regularly speaking with other schools wishing to consider joining the Trust.

In terms of the Trust's work for other schools and trusts, we continue to carry out small elements of work in line with our approved memorandum and articles of association, but the amount of work is small due to the increased number of schools now in the Trust and the continued growth.

Auditor

In so far as the trustees are aware:

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

The auditors, SBM Associates Limited, trading as SBM & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2016 and signed on its behalf by:



Ms Lesley Adams

THE ACTIVE LEARNING TRUST LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Gary Peile	5	5
Mr Clive Bush	5	5
Ms Lesley Adams	5	5
Ms Marilyn Toft	4	5
Mr David Bateson OBE	1	5
Ms Marion Lloyd	4	5
Mr Mark Kerr	4	5
Mr Jeremy Beswick	4	5
Mrs Jacqueline Cutchey	5	5
The Hon R G Hely Hutchinson (Appointed 6 October 2015)	4	4
Mr S Staite (Appointed 6 October 2015)	2	4

The Remuneration and Personnel committee is a sub-committee of the Trust Board. Its purpose is to recommend to the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chair, the Executive Directors, and the Company Secretary.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr David Bateson OBE	3	3
Ms Marion Lloyd	3	3
Mr Mark Kerr	2	3
Mrs Jacqueline Cutchey	3	3
Mr S Staite (Appointed 6 October 2015)	2	4

THE ACTIVE LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to undertake detailed scrutiny of the Trust's finances and to ensure the Trust's assets are properly secured and maintained. The Committee has been involved in the discussion around processes and procedures, recognising that it has been important for the whole Trust board to be involved in finance decision making to ensure all Trustees have clarity in how the Trust is set up to meet its responsibilities as set out in the Trust's funding statement. The Committee has also overseen the Trust's work to ensure the new school serving Ely in Cambridgeshire opens on time and has also provided the lead on approval of budgets for new schools, where a local governing body is in the process of being established.

The committee reviews the risks to the internal financial control across the Trust. It agrees and manages a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

The committee has delegated responsibility for the overall detailed scrutiny of the Trust's finances and its work informs this annual statement.

Before the audit committee became part of the finance and audit committee, it met once during the year. Attendance was as follows:

Trustee	Meetings attended	Out of possible
Mrs Lesley Adams	1	1
Mr Jeremy Beswick	1	1
Mrs Jacqueline Cutchey	0	1
Mr Mark Kerr	0	1
Mr Gary Peile	1	1

Trustees	Meetings attended	Out of possible
Mr Gary Peile	5	5
Mr Clive Bush	4	4
Ms Lesley Adams	3	3
Mr Mark Kerr	3	3
Mr Jeremy Beswick	4	5
The Hon R G Hely Hutchinson (Appointed 6 October 2015)	3	3

Review of value for money

As accounting officer of The Active Learning Trust Ltd, the Chief Executive is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

THE ACTIVE LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

- The appointment of a Trust Procurement Manager to focus on the delivery of value for money procurement with the creation of a Trust Procurement Strategy that will be shared with all key stakeholders and deliver a shared understanding of the opportunities and priority areas
- The central management of Formulaic Capital spending programme across the Trust that delivers best value by minimising the overall costs of consultancy and directs funding at the most pressing projects.
- Specifically the adoption of catering tenders at a number of schools which has reduced the overall costs (subsidy by the school) of meals provision which, in turn, drives more money into front line services.
- Ensured salary levels for the small central team are at or below the median for staff working in similar sized organisations, following an external review of our salary levels which showed in all areas salary levels are below the levels of similar sized organisations.
- Continuing to balance the need for central support with external provision so that our costs are, and remain, low compared to other multi academy trusts.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Active Learning Trust Limited for the period 1 September 2015 to 31 August 2016 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 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- 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 ACTIVE LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Caton Fry and Co Ltd. Chartered Accountants, as internal auditor

The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the individual school and academy trust's financial systems. The Internal auditors report their findings to the finance and audit committee and the chair of that committee then reports on that work as part of the report back to the Trust Board.

During the course of this year of operation the internal audit workload included completing reports on five academies which had good or very good outcomes.

The internal auditor delivered their schedule of work as planned. No material control issues were arising as a result of the internal auditor's work. Academies responded to the recommendations within the reports by preparing an action plan and implementing those actions.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance & audit committee and by the senior executive team and a process of continued assessment ensures that the workplan for the Trust ensures continuous improvement of the system is in place.

Approved by order of the board of trustees on 13 December 2016 and signed on its behalf by:



Mr Gary Peile



Ms Lesley Adams

THE ACTIVE LEARNING TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Active Learning Trust Limited 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's 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 2015.

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



**Mr Gary Peile
Accounting Officer**

13 December 2016

THE ACTIVE LEARNING TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for The Active Learning Trust Limited and are also the directors of The Active Learning Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 13 December 2016 and signed on its behalf by:



Ms Lesley Adams

THE ACTIVE LEARNING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE ACTIVE LEARNING TRUST LIMITED

We have audited the accounts of The Active Learning Trust Limited for the year ended 31 August 2016 set out on pages 26 to 54. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 21, the trustees, who are also the directors of The Active Learning Trust Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

THE ACTIVE LEARNING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE ACTIVE LEARNING TRUST LIMITED (CONTINUED)

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 accounts 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.

Mr Stephen McAlpine FCA (Senior Statutory Auditor)

for and on behalf of SBM Associates Limited, trading as SBM & Co

Chartered Accountants

Statutory Auditor

24 Wandsworth Road

London

SW8 2JW

Dated: 13 December 2016

THE ACTIVE LEARNING TRUST LIMITED

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

In accordance with the terms of our engagement letter dated 26 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Active Learning Trust Limited during the period 1 September 2015 to 31 August 2016 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 Active Learning Trust Limited and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Active Learning Trust Limited and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Active Learning Trust Limited and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Active Learning Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Active Learning Trust Limited's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of irregularity through observation and testing of the arrangements in place;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity; and
- detailed testing of income and expenditure for the areas identified as high risk.

THE ACTIVE LEARNING TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACTIVE LEARNING TRUST LIMITED 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 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Stephen McAlpine FCA
Reporting Accountant
SBM Associates Limited, trading as SBM & Co
24 Wandsworth Road
London
SW8 2JW

Dated: 13 December 2016

THE ACTIVE LEARNING TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:					
Donations and capital grants	2	67	-	834	757
Donations - transfer of school from another academy trust	24	622	(806)	27,766	6,133
Charitable activities:					
- Funding for educational operations	3	139	32,259	-	32,398
Other trading activities	4	1,773	-	-	1,773
Investments	5	22	-	-	22
Total income and endowments		2,623	31,453	28,600	62,676
Expenditure on:					
Raising funds	6	21	-	-	21
Charitable activities:					
- Educational operations	7	155	34,187	1,426	35,768
Total expenditure	6	176	34,187	1,426	35,789
Net income/(expenditure)		2,447	(2,734)	27,174	26,887
Transfers between funds		(74)	-	74	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(5,177)	-	(5,177)
Net movement in funds		2,373	(7,911)	27,248	21,710
Reconciliation of funds					
Total funds brought forward		802	(4,769)	90,078	86,111
Total funds carried forward		3,175	(12,680)	117,326	86,112

THE ACTIVE LEARNING TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	2	28	-	729	757
Donations - transfer of school from another academy trust	24	-	(610)	6,743	6,133
Charitable activities:					
- Funding for educational operations	3	105	25,169	-	25,274
Other trading activities	4	1,639	-	-	1,639
Investments	5	14	-	-	14
Total income and endowments		<u>1,786</u>	<u>24,559</u>	<u>7,472</u>	<u>33,817</u>
Expenditure on:					
Raising funds	6	36	-	-	36
Charitable activities:					
- Educational operations	7	2,081	24,588	1,128	27,797
Total expenditure	6	<u>2,117</u>	<u>24,588</u>	<u>1,128</u>	<u>27,833</u>
Net income/(expenditure)		(331)	(29)	6,344	5,984
Transfers between funds		(286)	393	(107)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	9	-	9
Net movement in funds		<u>(617)</u>	<u>373</u>	<u>6,237</u>	<u>5,993</u>
Reconciliation of funds					
Total funds brought forward		<u>1,418</u>	<u>(5,141)</u>	<u>83,842</u>	<u>80,119</u>
Total funds carried forward		<u>801</u>	<u>(4,768)</u>	<u>90,079</u>	<u>86,112</u>

THE ACTIVE LEARNING TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	117,067	89,559
Current assets			
Stocks	12	19	11
Debtors	13	1,054	603
Cash at bank and in hand		6,041	4,795
		<u>7,114</u>	<u>5,409</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(2,089)	(1,576)
Net current assets		<u>5,025</u>	<u>3,833</u>
Net assets excluding pension liability		<u>122,092</u>	<u>93,392</u>
Defined benefit pension liability	22	(14,271)	(7,280)
Net assets		<u>107,821</u>	<u>86,112</u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		117,326	90,079
- Restricted income funds		1,592	2,512
- Pension reserve		(14,272)	(7,280)
Total restricted funds		<u>104,646</u>	<u>85,311</u>
Unrestricted income funds	16	<u>3,175</u>	<u>801</u>
Total funds		<u>107,821</u>	<u>86,112</u>

The accounts set out on pages 26 to 54 were approved by the board of trustees and authorised for issue on 13 December 2016 and are signed on its behalf by:



Ms Lesley Adams

Company Number 07903002

THE ACTIVE LEARNING TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by operating activities	18	669	1,322
Cash funds transferred on conversion		920	-
		<u>1,589</u>	<u>1,322</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		22	14
Capital grants from DfE and EFA		769	729
Capital funding from sponsors and others		65	-
Payments to acquire tangible fixed assets		(1,199)	(225)
		<u>(343)</u>	<u>518</u>
Change in cash and cash equivalents in the reporting period		<u>1,246</u>	<u>1,839</u>
Cash and cash equivalents at 1 September 2015		4,795	2,956
Cash and cash equivalents at 31 August 2016		<u><u>6,041</u></u>	<u><u>4,795</u></u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Active Learning Trust Limited meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Active Learning Trust Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Conversion to an academy trust

The conversion from state maintained schools into the 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 Chantry Academy into the 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. The fair value is in accordance with the accounting policies set out for 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.

The land and buildings are held on a 125 year lease as detailed in the fixed asset note to the financial statements.

The construction of the new school building of Isle of Ely Primary School was completed during the year ended 31 August 2016, with the land and buildings held by the academy trust under a 125 year lease.

1.4 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 in the Statement of Financial Activities.

On conversion to academy status the trust's academies have been granted the use of the site each academy occupies. The lease term is for 125 years from the date of conversion or until such time as the sites are not used for running each academy, at which point the land and buildings revert back to the lessor. As the risks and rewards of ownership of the land and buildings of each academy have been transferred to the trust, they have been included within voluntary income as part of the transfer from the local authority on conversion at their gross value at conversion of £89,910,000. The land and buildings were valued by Lambert Smith Hampton or Concertus Design and Property Consultants (members of the Royal Institute of Chartered Surveyors) at fair value.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Land and buildings (long leasehold)	Straight line over the lease period (125 years)
Computer equipment	33% on cost
Fixtures, fittings & equipment	15% on cost
Motor vehicles	25% on cost

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.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions 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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.12 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 the Education Funding Agency, or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

1.13 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees have considered the following areas of judgement to be critical to the academy trust's financial statements:

- Pension Scheme – asset valuations completed by actuaries have in real terms shown significant real terms decline mainly as a result of the yields on gilts hitting record lows. It is anticipated that the fall in market valuations is a temporary situation and that in the future asset valuations will recover and the net liability will fall back to previous levels.
- Assets acquired from funds received via Schools Capital Allocation and the Devolved Formula Capital funding are capitalised within the accounts to evidence either improvements to land/buildings, purchase of new buildings or purchase of capital items eg: ICT although individually items may fall below the normal capitalisation threshold.
- The Trust approved accounting policies determine the depreciation calculations and capitalisation of assets, this determines the rate at which fixed assets are written down in the accounts. This therefore affects the fixed asset and depreciation figures reported in the accounts.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	834	834	729
Other donations	67	-	67	28
	<u>67</u>	<u>834</u>	<u>901</u>	<u>757</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	28,037	28,037	21,210
Start up grants	-	128	128	148
Other DfE / EFA grants	-	2,295	2,295	2,126
	<u>-</u>	<u>30,460</u>	<u>30,460</u>	<u>23,484</u>
Other government grants				
Local authority grants	-	1,799	1,799	1,685
	<u>-</u>	<u>1,799</u>	<u>1,799</u>	<u>1,685</u>
Other funds				
Other incoming resources from the academy trust's educational operations	139	-	139	105
	<u>139</u>	<u>-</u>	<u>139</u>	<u>105</u>
Total funding	<u>139</u>	<u>32,259</u>	<u>32,398</u>	<u>25,274</u>

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	205	-	205	99
Catering income	502	-	502	465
Music services income	35	-	35	29
AGF separate disclosure	13	-	13	10
Other income	1,018	-	1,018	1,036
	<u>1,773</u>	<u>-</u>	<u>1,773</u>	<u>1,639</u>

THE ACTIVE LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	22	-	22	14

6 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Expenditure on raising funds	-	-	21	21	36
Academy's educational operations					
- Direct costs	20,968	-	2,690	23,658	18,966
- Allocated support costs	5,431	3,271	3,408	12,110	8,831
	26,399	3,271	6,119	35,789	27,833
Total expenditure	26,399	3,271	6,119	35,789	27,833

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees paid to auditor for audit services	32	37
Operating lease rentals	74	100
Depreciation of tangible fixed assets	1,426	1,128

Included within expenditure are the following transactions:

	2016 £
Unrecoverable debts - total	14

Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- school improvement services

The trust charges for these services on the following basis:

- a flat percentage of income at 4% of all GAG-related income
- Isle of Ely Primary School was opened on 1 September 2014 and was charged an additional amount for central services due to the higher level of services and support being provided, including a centrally-managed budget, together with planning and support in respect of a new school building project.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

(Continued)

The amounts charged during the year were as follows:

	Total £'000
The Neale-Wade Academy	283
Burrowmoor Academy	60
Westwood Academy	36
Gusford Primary School	87
Chesterton Primary School	19
Red Oak Primary School	54
Grove Primary School	44
Sidegate Primary School	81
Hillside Primary School	91
Kingsfield Primary School	60
Pakefield Primary School	58
Reydon Primary School	24
Isle of Ely Primary School	80
Chantry Academy	160
	<u>1,137</u>

7 Charitable activities

	2016 £'000	2015 £'000
Direct costs - educational operations	23,658	18,966
Support costs - educational operations	12,110	8,831
	<u>35,768</u>	<u>27,797</u>
	<u>2016 £'000</u>	<u>2015 £'000</u>
Analysis of support costs		
Support staff costs	5,431	3,399
Depreciation and amortisation	1,426	1,128
Technology costs	52	49
Premises costs	1,726	1,485
Other support costs	2,881	2,245
Governance costs	594	525
	<u>12,110</u>	<u>8,831</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8	Staff costs	Total 2016 £'000	Total 2015 £'000
	a. Staff costs		
	Wages and salaries	20,139	16,093
	Social security costs	1,413	973
	Operating costs of defined benefit pension schemes	3,853	2,786
		<u>25,405</u>	<u>19,852</u>
	Supply staff costs	962	677
	Staff restructuring costs	32	58
		<u>26,399</u>	<u>20,587</u>
	Total staff expenditure		
		<u>26,399</u>	<u>20,587</u>
	Staff restructuring costs comprise:		
	Severance payments	32	58

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £32,057 (2015: £58,002). Individually, the payments were: £2,090, £2,567, £2,600, £7,000, £8,300 and £9,500.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 together with the headteachers and executive headteachers of the trust's schools. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £ 1,822,900 (2015: £1,542,000).

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	269	242
Administration and support	405	369
Management	63	45
	<u>737</u>	<u>656</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

Total (Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	11	8
£70,001 - £80,000	4	3
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,000 - £110,000	1	-
	<u>18</u>	<u>13</u>

9 Related Party Transactions - Trustees' remuneration and expenses

Staff trustees only receive remuneration in respect of services they provide undertaking their roles as staff, 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' remuneration was as follows:

Mr G Pelle - (staff trustee)

Remuneration: £95,000 - £100,000 (2015: £95,000 - £100,000)

Employer's pension contributions: £nil (2015: £10,000 to £15,000)

Mr C Bush - (staff trustee)

Remuneration: £15,000 - £20,000 (2015: £50,000 - £55,000)

Employer's pension contributions: £nil (2015: £nil)

Mrs M Toft - (staff trustee)

Remuneration: £50,000 - £55,000 (2015: £45,000 - £50,000)

Employer's pension contributions: £nil (2015: £15,000 to £20,000)

During the year ended 31 August 2016, expenses totalling £4,189 (2015: £1,665) were reimbursed to 6 trustees (2015: 6 trustees), consisting of travel and subsistence expenses of £4,189 (2015: £1,665).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees and officers insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings (long leasehold)	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2015	89,910	923	977	25	91,835
Additions	28,244	238	440	12	28,934
At 31 August 2016	118,154	1,161	1,417	37	120,769
Depreciation					
At 1 September 2015	1,341	625	307	3	2,276
Charge for the year	967	260	193	6	1,426
At 31 August 2016	2,308	885	500	9	3,702
Net book value					
At 31 August 2016	115,846	276	917	28	117,067
At 31 August 2015	88,569	298	670	22	89,559

The trust's transactions relating to land and buildings included:

- the taking up of a leasehold on Chantry Academy for £14,506,000 over a term of 122 years

The net book value of land and buildings comprises:

	2016 £'000	2015 £'000
Freeholds	27,277	5,893
Long leaseholds (over 50 years)	88,569	82,676
	115,846	88,569

12 Stocks

	2016 £'000	2015 £'000
School uniform	19	11

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Debtors	2016	2015
	£'000	£'000
Trade debtors	47	26
VAT recoverable	129	159
Prepayments and accrued income	878	418
	<u>1,054</u>	<u>603</u>
14 Creditors: amounts falling due within one year	2016	2015
	£'000	£'000
Trade creditors	530	202
Other taxation and social security	430	292
Other creditors	414	320
Accruals and deferred income	715	762
	<u>2,089</u>	<u>1,576</u>
15 Deferred income	2016	2015
	£'000	£'000
Deferred income is included within creditors, under "Accruals and deferred income":		
Deferred income at 1 September 2015	505	186
Released from previous years	(505)	(186)
Amounts deferred in the year	449	505
Deferred income at 31 August 2016	<u>449</u>	<u>505</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Free School Meals of £332,000, GAG rates income of £50,000, trip income of £22,000, Local Authority Early Years funding of £21,000, Sports Grant of £10,000, training funds of £9,000 and PTA funds of £5,000.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	2,222	28,037	(28,667)	-	1,592
Start up grants	197	128	(325)	-	-
Pupil Premium	-	2,295	(2,295)	-	-
Other government grants	93	1,799	(1,892)	-	-
Other restricted funds	-	274	(274)	-	-
	<u>2,512</u>	<u>32,533</u>	<u>(33,453)</u>	<u>-</u>	<u>1,592</u>
Funds excluding pensions	(7,281)	(1,080)	(734)	(5,177)	(14,272)
Pension reserve	<u>(4,769)</u>	<u>31,453</u>	<u>(34,187)</u>	<u>(5,177)</u>	<u>(12,680)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	769	834	(187)	74	1,490
Transfer of conversion	89,309	27,766	(1,239)	-	115,836
	<u>90,078</u>	<u>28,600</u>	<u>(1,426)</u>	<u>74</u>	<u>117,326</u>
Total restricted funds	<u>85,309</u>	<u>60,053</u>	<u>(35,613)</u>	<u>(5,103)</u>	<u>104,646</u>
Total unrestricted funds	<u>802</u>	<u>2,623</u>	<u>(176)</u>	<u>(74)</u>	<u>3,175</u>
Total funds	<u>86,111</u>	<u>62,676</u>	<u>(35,789)</u>	<u>(5,177)</u>	<u>107,821</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

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

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the trust at the discretion of the trustees.

The General Annual Grant (GAG) represents funds received from the DfE/EFA specifically to be used for educational purposes in line with the trust's objects and its funding agreement with the EFA.

The Start-up Grant represents additional funds received from the DfE/EFA in the early years of the establishment of a school to be used for educational purposes.

Other DfE/EFA grants represents grants provided for specific purposes.

Other government grants represent funds received from local government for specific purposes, such as special educational needs, holiday or breakfast clubs.

The restricted fixed asset fund contains two funds: the inherited fixed asset fund and the DfE / EFA capital grants fund. The inherited fixed asset fund represents the value of long leasehold land, buildings and other fixed assets transferred into the academy trust on the conversion of schools less accumulated depreciation to the balance sheet date. The DfE / EFA capital grants fund represents the cost less accumulated depreciation of fixed assets acquired from DfE / EFA capital grants used by the academy trust, together with DfE / EFA capital grants received which are awaiting expenditure on appropriate capital items and projects.

The pension reserve represents the net liability arising in respect of the Local Government Pension Schemes.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

Analysis of academies by fund balance

	Total £'000
Fund balances at 31 August 2016 were allocated as follows:	
The Neale-Wade Academy	1,393
Burrowmoor Academy	268
Westwood Academy	183
Gusford Primary School	213
Chesterton Primary School	95
Red Oak Primary School	299
Grove Primary School	91
Sidegate Primary School	125
Hillside Primary School	304
Kingsfield Primary School	191
Pakefield Primary School	61
Reydon Primary School	110
Isle of Ely Primary School	90
Chantry Academy	757
Central services	587
Funds excluding fixed asset fund and pensions reserve	4,767
Restricted fixed asset fund	117,326
Pension reserve	(14,272)
Total funds	107,821

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000	£'000	£'000	£'000	£'000
The Neale-Wade Academy	5,059	946	180	2,197	8,382
Burrowmoor Academy	1,492	462	28	153	2,135
Westwood Academy	661	162	44	258	1,125
Gusford Primary School	1,817	448	38	353	2,656
Chesterton Primary School	275	78	10	145	508
Red Oak Primary School	1,081	211	48	389	1,729
Grove Primary School	1,008	161	22	280	1,471
Sidegate Primary School	1,903	358	24	434	2,719
Hillside Primary School	1,719	334	56	598	2,707
Kingsfield Primary School	1,388	385	49	242	2,064
Pakefield Primary School	1,217	295	30	307	1,849
Reydon Primary School	446	76	26	182	730
Isle of Ely Primary School	307	45	19	221	592
Chantry Academy	2,799	727	73	1,062	4,661
Central services	-	737	-	277	1,014
	<u>21,172</u>	<u>5,425</u>	<u>647</u>	<u>7,098</u>	<u>34,342</u>
Restricted fixed asset fund depreciation					1,426
Fundraising and trading costs					21
Total expenditure					<u>35,789</u>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total
	£'000	General	Fixed asset	2016
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	117,067	117,067
Current assets	3,379	3,476	259	7,114
Creditors falling due within one year	(204)	(1,885)	-	(2,089)
Defined benefit pension liability	-	(14,271)	-	(14,271)
	<u>3,175</u>	<u>(12,680)</u>	<u>117,326</u>	<u>107,821</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	26,887	5,984
Adjusted for:		
Net deficit/(surplus) transferred on conversion	(27,582)	(6,133)
Capital grants from DfE/EFA and other capital income	(834)	(729)
Investment income	(22)	(14)
Defined benefit pension costs less contributions payable	411	384
Defined benefit pension net finance cost/(income)	323	245
Depreciation of tangible fixed assets	1,426	1,128
(Increase)/decrease in stocks	(8)	(6)
(Increase)/decrease in debtors	(451)	61
Increase/(decrease) in creditors	513	402
Stocks, debtors and creditors transferred on conversion	6	-
Net cash provided by operating activities	669	1,322

19 Analysis of cash and cash equivalents

	2016 £'000	2015 £'000
Cash in hand and at bank	6,041	4,795
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	6,041	4,795

20 Members' liability

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

21 Commitments under operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	40	57
Amounts due in two and five years	38	56
	78	113

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire Pension Fund and Suffolk Pension Fund. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £247,000 (2014: £167,000) were payable to the TPS scheme and contributions amounting to £166,000 (2014: £110,000) were payable to the LGPS scheme at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £1,883,000 (2015: £1,293,000)

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations

(Continued)

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 11.4 to 22.6% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £1,517,000 (2015: £963,000.)

The funds that the charitable company is part of are the Cambridgeshire Pension Fund and the Suffolk County Council Pension Fund.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 24) together with new employees who joined 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 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.

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	1,550	1,186
Employees' contributions	413	327
Total contributions	1,963	1,513
 Principal actuarial assumptions	 2016 %	 2015 %
Rate of increases in salaries	4.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Inflation assumption (CPI)	2.1	2.7

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations

(Continued)

Sensitivity analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries engaged by the academy trust, Hymans Robertson LLP, have calculated and compared the value of the scheme liabilities as at 31 August 2016 on varying bases. The approach taken is consistent with that adopted to derive the pension scheme valuation reports used within the preparation of these financial statements. The sensitivities regarding the principal assumptions used to measure the pension scheme liabilities are set-out below:

Change in assumptions at 31 August 2016:	Approximate monetary amount (£'000)
0.5% decrease in inflation rate	558
1 year increase in member life expectancy	136
0.5% increase in the rate of salary increase	201
0.5% increase in rate of pension increase	338

Commutation

An allowance is included for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum tax-free cash for post-April 2008 service.

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

	2016 Years	2015 Years
Retiring today		
- Males	22.4	22.4
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.9	26.9

The academy trust's share of the fair value of assets in the scheme	At 31 August 2016 £'000	At 31 August 2015 £'000
Equities	9,111	5,103
Bonds	2,309	1,252
Cash	226	139
Property	1,130	609
Total market value of assets	12,776	7,103
Actual return on scheme assets - gain/(loss)	1,819	(149)

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	1,961	1,570
Net interest cost	323	245
Total operating charge	2,284	1,815
Changes in the present value of defined benefit obligations	2016 £'000	2015 £'000
At 1 September	14,383	10,493
Obligations acquired on conversion	2,995	1,016
Current service cost	1,961	1,570
Interest cost	697	447
Employee contributions	413	327
Actuarial (gain)/loss	6,622	(37)
Benefits paid	(24)	-
Plan introductions, benefit changes, curtailments and settlements	-	567
At 31 August	27,047	14,383
Changes in the fair value of the academy trust's share of scheme assets	2016 £'000	2015 £'000
At 1 September	7,103	4,443
Assets acquired on conversion	1,915	405
Interest income	374	202
Return on plan assets (excluding net interest on the net defined pension liability): Actuarial gain/(loss)	1,445	(53)
Employer contributions	1,550	1,186
Employee contributions	413	327
Benefits paid	(24)	-
Plan introductions, benefit changes, curtailments and settlements	-	593
At 31 August	12,776	7,103

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in Note 9.

24 Conversion to an academy

On 1 September 2015, Chantry Academy transferred into the academy trust from New Academies Trust. All the operations and assets and liabilities were transferred to The Active Learning Trust Ltd from Suffolk New Academy for £nil consideration. The school was been renamed Chantry Academy from Suffolk New Academy on transfer from New Academies Trust.

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

As noted in the financial statements for the year ended 31 August 2015, Isle of Ely Primary School opened as a new school on 1 September 2014. Construction of the new school building was completed during the year ended 31 August 2016 with the land and buildings valued at £12,716,000 now held by the academy trust under a 125 year lease of which 122 years remain.

Academy	Location	Date of conversion
Isle of Ely Primary School	Cambridgeshire	1 September 2014
Chantry Academy	Ipswich	1 September 2015

	2016 £'000
Net assets transferred:	
Freehold land and buildings	27,222
Other tangible fixed assets	514
Cash	920
LGPS pension surplus/(deficit)	(1,080)
Current assets	244
Current liabilities	(238)
	<u>27,582</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Conversion to an academy

(Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds £'000	General £'000	Fixed asset £'000	2016 £'000
Fixed assets funds	-	-	27,766	27,766
LA budget funds	-	226	-	226
School private fund	32	-	-	32
LGPS pension funds	-	(1,080)	-	(1,080)
Other funds	590	48	-	638
	<u>622</u>	<u>(806)</u>	<u>27,766</u>	<u>27,582</u>

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

25 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

These financial statements are the first financial statements of the academy trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the academy trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Reconciliations to previous UK GAAP for the comparative figures are included below.

Explanation of transition to FRS 102

It is the first year that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The restatement of the comparative figures includes an adjustment in the comparative Statement of Financial Activities to the charitable activities incurred between the restricted fixed assets fund and restricted general funds with a corresponding adjustment in the transfers between funds, in accordance with the treatment required by the Academies Accounts Direction 2015 to 2016 and as advised by the EFA. The total funds brought forward and carried forward on the restricted fixed asset fund were unaffected by this adjustment.

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	(3,095)	86,112

Reconciliation of net income for the previous financial period

	2015 £'000
Net income as reported under previous UK GAAP and under FRS 102	5,993

THE ACTIVE LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

25 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £79,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount. The net movement in funds and total funds brought forward were unaffected by this adjustment.

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received where this is considered to be material. Provisions for these amounts were calculated and were not considered to be material to the financial statements and have therefore not been provided in the financial statements.