

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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THE ACTIVE LEARNING TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms Marion Lloyd Mr Robert Dool Ms Lesley Adams Mrs Helen Capron Mr Simon Staite
Trustees	Ms Marion Lloyd Mr Robert Dool, Chair of Trustees (from 1 September 2019) Mr Gary Peile (deceased 2 February 2019) Mr Clive Bush Mr David Bateson OBE Mr Mark Kerr Mr Jeremy Beswick Mrs Jacqueline Cutchey The Hon R G Hely Hutchinson Dr A Boddison Ms Lesley Adams (resigned 31 August 2019) Mr S Chamberlain (appointed 1 November 2019)
Company registered number	07903002
Company name	The Active Learning Trust Limited
Principal and registered office	c/o Isle Of Ely Primary School School Road Ely Cambridgeshire CB6 2FG
Company Secretary	Mrs Karen Jarvis
Chief Executive Officer	Mr Clive Bush (until 1 November 2019) Mr Stephen Chamberlain (1 November 2019)
Senior Management Team	Mr Clive Bush, Chief Executive Officer (until 1 November 2019) Mr Stephen Chamberlain, Chief Executive Officer (from 1 November 2019) Mr Clive Paskell, Director of Finance and Operations Mr David Hilton, Director of School Improvement Mr James Chester, Director of School & Teacher Performance Mrs Janice Steel, Director of Human Resources Ms Marilyn Toft, Director of Professional Development

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Barclays Bank plc
9-11 St Andrew's Street
Cambridge
Cambridgeshire
CB2 3AA

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Active Learning Trust (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 15 primary, 4 secondary and 2 special Academies serving areas across Cambridgeshire and Suffolk. The Academies have a combined capacity of 10,515 and had a roll of 9,421 in the 2019 census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- 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
- Red Oak Primary School (formerly known as Fen Park Primary School), Lowestoft - 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, Ely, Cambridgeshire - 1 September 2016
- Albert Pye Primary School, Beccles, Suffolk - 1 October 2016
- Ravensmere Infant School, Beccles, Suffolk - 1 October 2016
- Cromwell Community College, Chatteris, Cambridgeshire - 1 September 2017
- Highfield Littleport Academy, Cambridgeshire - 1 September 2017
- Littleport & East Cambridgeshire Academy - 1 September 2017
- Earith Primary School, Cambridgeshire - 1 January 2018

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains overall control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Trust Board (TB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the TB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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.

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Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance through the DfE Risk Protection Arrangement to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover and details of the costs are disclosed in Note 13 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

There were five Members of the Trust at the year end: Marion Lloyd, Lesley Adams, Robert Dool, Helen Capron and Simon Staite, who have the authority to appoint up to 10 Trustees. 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 TB similarly takes into account the skills, knowledge and experience of potential Trustees who could then be co-opted to join the TB.

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a term of four years. The Chief Executive Officer (CEO) is an ex officio member of the TB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 12 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

Organisational Structure

The TB has established three Committees to undertake detailed examination of aspects of the Trust's operation. These Committees are:

- Personnel and Remuneration
- Finance
- Audit

The minutes of each Committee are received by the TB and the Chair of each Committee reports back to the TB on its work. The terms of reference for each Committee are reviewed annually. The TB 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 LGB, 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 Officer is the Accounting Officer for the Active Learning Trust. This was Gary Peile until December 2018 and Clive Bush for the remainder of the year. The TB has established that day to day decision making rests with the Chief Executive Officer and the senior team and the Chief Executive Officer reports back to the TB 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.

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The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The TB, meets on at least 5 occasions per year and its 3 sub committees Finance and Audit 5 times a year in person 1 online and Personnel and Remuneration at least once a year. The TB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy and monitoring the annual budgets and expenditure for their Academy.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Central Team Senior Leadership Team (CTSMT) looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

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 TB.

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.

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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 TB 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 TB and changes in salaries which result are with the TB's approval.

Trade union facility time

Relevant union officials:

Number of employees who were relevant union officials during the relevant period (Headcount)	8
Full-time equivalent employee number	1

Percentage of time spent on facility time:

	Number of employees
0%	1
1%-50%	7
51%-99%	0
100%	0

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Percentage of pay bill spent on facility time:

Provide the total cost of facility time	£13,524
Provide the total pay bill	£38,620,000
Percentage of total pay bill spent on facility time	0.04%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours 100%

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the TB being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Princes Teaching Institute
- Ambition Institute
- National Association for Special Educational Needs Minds Ahead
- Oracy Cambridge
- Paul Hamlyn Foundation
- Ipswich and Cambridgeshire Opportunity Areas
- School and Student Teachers Network

The Trust does not have a formal sponsor.

Objectives and Activities

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 aims 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 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.

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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.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

Specific achievements were as follows:

In January 2019, the Trust received a visit from Her Majesty's Inspectors (HMI) to complete one of the first Multi Academy Trust (MAT) Summary Evaluations. The report praised the Trust, stating: "You and the Directors know each of the Schools within the trust exceptionally well. You reflect honestly and have evaluated accurately the strengths and weaknesses in individual performance and context."

The Inspectors added: "The Trust's aims and ethos are clear. They are based on a determination to provide a high-quality education for all."

"Consequently, Schools that are a part of Active Learning Trust (ALT) have a shared understanding and acceptance of this strong ethos. School leaders at all levels are universally proud to be part of ALT and have confidence in the expertise of the Directors" the Inspectors continued.

The Inspector went on to commend the Trust's approach towards its Schools, stating: "As a Trust, you encourage and celebrate the individual characteristics of each School. You provide them with a good balance of autonomy and central oversight and accountability." One leader was quoted saying: "We are worked with, rather than done to".

The Inspector also applauded the Trust's three school hubs, stating: "This regional tier of leadership is central to the school improvement work of the Trust."

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The Inspector stated: "One reason for the strength in leadership and management stems from your commitment to growing and developing your own leaders... Continued professional development is well established, highly valued and is often a reason provided by staff for applying and staying with ALT."

It was noted that the Trust often takes on underperforming schools and the Inspector recognised that while some Schools still require improvement, all recent inspections judged the quality of leadership and management as strong. The Inspector added: "You have rigorous monitoring processes in place and ensure that the three Schools identified as underperforming over time are suitable challenged and well supported."

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 TB through regular reports from the Chief Executive.

This is supported by regular Academy Improvement Group meetings with all Schools. The frequency of these is based on the category the School is in (Challenge 1,2 or 3) with Challenge 1 being the highest risk and Challenge 3 being low risk. Schools have developed capacity across the whole Trust to engage with Trust wide developments in English and Maths alongside a greater data literacy and consistency across all schools.

ALT has developed a strong locally based hub network of Schools that work in partnership to achieve the outcomes described below, supported by a central team that supports school improvement, school-to-school support alongside a Continuing Professional Development (CPD) programme that has a pathway for all staff from Newly Qualified Teachers (NQT) to Leadership level.

All ALT Schools will have:

- a rich, broad and balanced knowledge-based curriculum and assessment model that supports effective teaching and learning to support all learners;
- a clear focus on supporting all groups of learners – including disadvantaged ;
- evidence of clear improvements in the expected progress of pupils in reading, writing and mathematics;
- consistently good or better teaching across all subject areas;
- established staffing structures to meet the requirement of the new curriculum models and rapid improvement in both core and foundation subjects;
- established and effective LGB with training in place and priorities identified;
- systems for making highly effective use of individual pupil data to effect improvement, reduce workload and ensure systems are efficient; and
- attendance in line with or better than the national average.

Building on our wider professional development offer, it can be noted that during the year:

- 28 Newly Qualified Teachers joined the Trust wide programme to support their development;
- 47 Leading Active Learning (and advanced Leading Active Learning) participants – have joined the programme in 2018. This continues to be a popular choice for aspiring middle leaders and includes Trust-wide arts leads working to introduce whole school approaches to arts delivery through recent funding acquired through Paul Hamlyn Foundation; and
- There are a range of other initiatives being developed through our partnerships with Ambition School Leadership and the Princes Teaching Institute.

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Key Stage 2 Outcomes

Attainment

Standards over the last three years have risen Nationally for Key Stage 2 at both the Expected + and Greater Depth/Higher standard in Reading, Writing, Grammar Punctuation and Spelling, Maths and the Combined (Reading, Writing, Mathematics); Trust outcomes have also risen, and although still below National, percentages have improved at a similar or increased rate at both the Expected and the Greater Depth/Higher standards. Particularly pleasing is the rise in the number of children achieving the Expected + standard in Reading across the Trust and this has impacted positively on the Combined, which, along with National, has made an 11% increase. Also pleasing is the improvement in the % of children achieving the Combined Greater Depth/Higher standard, again at the same rate as National, particularly taking into consideration the Trust average point score from the end of KS1, 15.3, as this is considerably lower than National at 16.1. This improvement is expected to be secured and continue for 2019.

Progress

Along with Attainment, Trust Progress in 2018 also improved in Reading, Writing and Maths compared with 2016 averages, with all three subjects now closely aligned. Despite a drop from last year's sharp 2017 rise in Writing, Writing is showing the greatest improvement in progress having been the weakest progress element in 2016. Progress improvements in Reading and Maths are similar with Maths last year and Reading this year showing the highest improvement.

National averages have risen in the last three years most significantly in Key Stage 2 and this also reflects the Trust picture. Improvements in KS2 Trust data in both attainment and progress closely match or exceed National; the 'Disadvantaged' though remain a significant under-achieving group with both attainment and progress well below that of the overall Trust.

Key Stage 4 Outcomes

Progress 8 results indicate that all three Secondary Schools are above the National Floor Standard of -0.5 with Chantry having the strongest outcome.

(Progress 8 measures a pupil's progress in 8 qualifications at KS4 compared to their performance at KS2)

Attainment 8 results show averages close to National with Cromwell's outcome strongest. Although Chantry has the lowest outcome, it also has the lowest prior attainment from KS2 (APS 26.3) which is well below the National average (APS 28.7 2017).

(Attainment 8 measures average attainment in the 8 elements: English, Maths, 3 English Baccalaureate and 3 open, compared to the average of pupils with similar prior attainment)

English and Maths Combined at Grade 5 +

Cromwell exceeded the National average (2017) for the Combined English and Maths at Grade 5+, and with Chantry, is also above Fischer Family Trust estimates (based on KS2 prior attainment). Neale Wade's outcome is significantly below National and Fischer Family Trust estimates and their Combined outcome was impacted by weak maths outcomes.

(English and Maths Combined at Grade 5+ tells you the % of pupils who achieved a grade 5 or above in the reformed English and Maths GCSEs – Grade 5 is a similar level to a high C or low B in the old grading). Provisional data for 2019 is showing a significant improvement for Neale Wade, continued strength at Cromwell with some issues at Chantry relating to persistent absence of some pupils impacting on the final outcomes.

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Conclusion

There has been continued progress in the majority of Schools. This has come about through a greater stability in staffing, a development of capacity through Trust and bespoke school CPD and a greater rigour in the School Improvement process across the Trust. The introduction of greater school-to-school support allows for the Trust to build on the capacity created, with over 200 colleagues completing the Leading Active Learning (including Advanced) providing a real resource of expertise that can now be deployed as part of the school improvement process. The high calibre and quality assured expertise is already impacting on schools that will benefit from the recent and relevant success across all areas of the curriculum.

The Trust's wider engagement with external agencies including Ambition Institute (previously Ambition Leaders), Prince's Teaching Institute, Oracy Cambridge amongst others, there is a clear sense of deepening the understanding of curriculum, leadership alongside research based professional development building on national and international expertise.

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018/19 were 8,736 compared to 8,470 (2017/18) and 6,395 (2016/17).

Another key financial performance indicator is staffing costs as a percentage of total income. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the TB.

The Finance Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the TB.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £53,556,000 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £51,001,000 on general running costs and transferred £36,000 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 2017/18, £(966,000) restricted funds (excluding pension and fixed assets) and £6,979,000 unrestricted funding. The carry forward for 2018/19 is £14,000 restricted funding and £6,954,000 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £26,132,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Director of Finance. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

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 carrying 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 12.6% 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.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £6,954,000. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £6,968,000.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £8,744,000. The Trustees monitor cash flow as part of the committee reports and ensures each School has sufficient to meet all cash flow demands.

Investment Policy

An Investment Policy was approved by the TB 13 December 2016 and affirmed May 2019.

The Trust works with its bankers (Barclays PLC) to place surplus funds held in individual Academy accounts on deposit with Barclays Bank PLC. This process provides limited additional income and has been enhanced with 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 low risk strategy.

Principal Risks and Uncertainties

The Trust maintains a central risk register identifying the major risks, to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the TB via the Audit Committee with a review process undertaken prior to each meeting.

Individual Academies have a standard risk register that is maintained and reviewed. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

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

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed a Compliance Manager / Internal Auditor to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. All fundraising undertaken during the year was monitored by the Trustees. During the year no complaints or issues have arisen as a result of the fundraising events.

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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 a Free School due to open in Central Ipswich and will continue to enter bids for new Schools when considered these match the profile and expertise within the Trust. The Trust is regularly speaking with other Schools wishing to consider joining the Trust.

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 21 Schools at the end of 2018/19 and at least 1 more School planned to join in the next two years.

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.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of others.

Employees and disabled persons

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health & safety, staff restructures and redundancy proposals and staff welfare with the relevant support staff and teaching trade unions. Trade Union consultation is formalised through a mutually negotiated Trade Union Recognition Agreement arrangement. The Trust provides information to employees generally by way of email, memoranda, school intranet facilities, Trust and School websites, staff professional development and training days and staff meetings. Staff representatives are invited to attend LGB meetings on a regular basis.

At each of the Schools, information is channelled via the Leadership Teams and/ or through Trust activities organised at hub or whole trust level. Employees are included in the consideration of Ofsted reports and other reviews and inspections as well as other relevant information available from the School and Trust websites including pupil progress and attainment data.

Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees based on their skills and abilities. Reasonable adjustments can and will be made whenever practicable and feasible for any employee who may be at risk of experiencing an unfair disadvantage as a result of a protected characteristic.

Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. Reasonable adjustments (such as those to interview attendance and physical access) are considered whenever practical and feasible for any employee or applicant who may be at risk of experiencing an unfair disadvantage as a result of any protected characteristic including disability. In the event of employees becoming disabled then appropriate assessments are made with a view to offering training, adjusted duties or working conditions or other assistance (Such as Access to Work services) in order that their employment within the Trust may continue.

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

Insofar 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, Price Bailey LLP, 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 TB on 12 December 2019 and signed on its behalf by:

Mr Robert Dool
Chair of Trustees

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

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 Officer, 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 TB has formally met 5 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms Marion Lloyd	4	5
Mr Robert Dool	5	5
Mr Gary Peile	1	2
Mr Clive Bush	5	5
Mr David Bateson OBE	5	5
Mr Mark Kerr	4	5
Mr Jeremy Beswick	4	5
Mrs Jacqueline Cutchey	5	5
The Hon R G Hely Hutchinson	3	5
Dr A Boddison	4	5
Ms Lesley Adams	5	5
Mr S Chamberlain	0	0

Review of year:

There were no changes to the composition of the TB in the year other than the very sad death of Gary Peile in February 2019. Clive Bush assumed the role of Chief Executive Officer and Accounting Officer for the Trust until the appointment of a new Chief Executive Officer in November 2019. Robert Dool became the new Chair of the Trust in September 2019.

The TB continues to deliver effective challenge and support for Schools across the three hubs and welcomes Headteachers from two Schools at each meeting to articulate their School's story. The TB receives timely and detailed reports in agreed formats from the central team and Schools.

Governance reviews:

The TB was reviewed externally by NGA (National Governance Association) in 2016 and the recommendations form that were followed through by the Board. The Board plan to complete an internal governance review as part of the overall review following the appointment of a new Chief Executive Officer in November 2019.

The Finance Committee is a sub-committee of the TB. 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 ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Committee has been involved in the discussion around processes and procedures, recognising that it has been important for the whole TB 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 provides the lead on approval of School budgets and scrutiny for new Schools budgets.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Gary Peile	0	2
Mr Clive Bush	1	1
Mr Mark Kerr	4	5
Mr Jeremy Beswick	4	5
The Hon R G Hely Hutchinson	3	5
Ms Lesley Adams	5	5

The Audit Committee is also a sub-committee of the TB. Its purpose is to carry out scrutiny and review of the Trust's audit functions and to ensure the Trust's assets are properly secured and maintained. In the last year the Committee has considered and approved the change from externalised internal audit to an internal process.

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.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Gary Peile	0	2
Mr Clive Bush	1	1
Mr Mark Kerr	4	5
Mr Jeremy Beswick	4	5
The Hon R G Hely Hutchinson	3	5
Ms Lesley Adams	5	5

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the TB where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Implementation of re-tendered catering provision and contract management of that provision across nineteen Schools.
- Monitoring and reaction to opportunities in the energy market, utilising external expertise to secure reduced unit costs.
- Control of staffing costs generally and implementation of Integrated Curriculum Financial Planning across all Schools.

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The TB has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The TB is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the TB.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the TB;
- regular reviews by the 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; and
- identification and management of risks.

The TB has considered the need for a specific internal audit function and has decided to utilise the skills of our Compliance Manager who is a fully qualified auditor to provide the internal audit function with effect from March 2019, prior to this date Caton Fry and Co Ltd, Chartered Accountants completed internal audit works. The rationale for this being a reduction in overall costs and greater audit presence in schools delivering a more in depth analysis of compliance across each area.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Procurement (inc creditors)
- Business Continuity
- Payroll
- Ethical Culture
- Debtors
- Credit Cards
- Fixed Asset Additions
- Grants
- PS Financials – Purchasing Module V4 v V6
- Websites

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Pre March 2019

- Earith Primary School – internal audit review
- Central ALT finance function – internal audit review
- Littleport & East Cambridgeshire Academy – internal audit review
- Highfield Littleport Academy – internal audit review

The Internal Auditor reports to the TB at each meeting, through the Audit Committee on the operation of the systems of control and on the discharge of the TB's financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work, Procurement and Business Continuity internal audits received a limited assurance opinion. Internal Audit has subsequently received evidence to support implementation of agreed actions to raise the standards.

Other external audits:

- Information Commissioners Office audit of Oct 2018 and the follow up of this October 2019 – where ICO advised "ALT has made meaningful progress to complete all the actions agreed in the original audit."
- HMRC VAT audit where no significant issues were identified.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the TB and signed on their behalf by:

Mr Robert Dool
Chair of Trustees

Mr Stephen Chamberlain
Accounting Officer

Date: 12 December 2019

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Active Learning Trust Limited I have considered my responsibility to notify the TB and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2018.

I confirm that I and TB are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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 TB and ESFA.

Mr Stephen Chamberlain
Accounting Officer

Date: 12 December 2019

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the BoT on 12 December 2019 and signed on its behalf by:

Mr Robert Dool
Chair of Trustees

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACTIVE LEARNING TRUST LIMITED**

Opinion

We have audited the financial statements of The Active Learning Trust Limited (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACTIVE LEARNING TRUST LIMITED (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACTIVE LEARNING TRUST LIMITED (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

17 December 2019

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 2 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 year 1 September 2018 to 31 August 2019 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Active Learning Trust Limited and ESFA 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 ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of The Active Learning Trust'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 dated 9 January 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. 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 Trust's income and expenditure.

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACTIVE LEARNING TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Date: 17 December 2019

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Income from:						
Donations and capital grants:	3					
Transferred on conversion		-	-	-	-	40,661
Other donations and capital grants		1,605	-	1,780	3,385	1,456
Charitable activities	4	619	47,501	-	48,121	46,837
Other trading activities	5	1,999	29	-	2,028	1,842
Investments	6	23	-	-	23	9
Total income		4,246	47,530	1,780	53,556	90,805
Expenditure on:						
Raising funds		-	-	-	-	17
Charitable activities	7	4,271	48,792	2,541	55,604	52,894
Total expenditure		4,271	48,792	2,541	55,604	52,911
Net expenditure		(25)	(1,262)	(761)	(2,048)	37,894
Transfers between funds	20	-	(36)	36	-	-
Net movement in funds before other recognised gains/(losses) carried forward		(25)	(1,298)	(725)	(2,048)	37,894

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Note					
Net movement in funds before other recognised losses brought forward	(25)	(1,298)	(725)	(2,048)	37,894
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	27	(7,745)	-	(7,745)	4,014
Net movement in funds	(25)	(9,043)	(725)	(9,793)	41,908
Reconciliation of funds:					
Total funds brought forward	6,979	(17,075)	170,064	159,968	118,060
Net movement in funds	(25)	(9,043)	(725)	(9,793)	41,908
Total funds carried forward	20	6,954	(26,118)	169,339	150,175
		159,968			

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

The notes on pages 31 to 60 form part of these financial statements.

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07903002

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	As restated 2018 £000
Fixed assets			
Tangible assets	14	168,029	168,771
Current assets			
Stocks	15	7	7
Debtors	16	1,281	1,136
Investments	17	1,250	1,050
Cash at bank and in hand		8,744	7,854
		11,282	10,047
Creditors: amounts falling due within one year	18	(2,704)	(2,390)
Net current assets		8,578	7,657
Total assets less current liabilities		176,607	176,428
Creditors: amounts falling due after more than one year	19	(300)	(351)
Net assets excluding pension liability		176,307	176,077
Defined benefit pension scheme liability	27	(26,132)	(16,109)
Total net assets		150,175	159,968
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	169,339	170,064
Restricted income funds	20	14	(966)
		169,353	169,098
Restricted funds excluding pension liability	20	169,353	169,098
Pension reserve	20	(26,132)	(16,109)
Total restricted funds	20	143,221	152,989
Unrestricted income funds	20	6,954	6,979
Total funds		150,175	159,968

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 26 to 60 were approved by the Trustees, and are signed on 12 December 2019, by:

Mr Robert Dool
Chair of Trustees

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	927	435
Cash flows from investing activities	24	220	(322)
Cash flows from financing activities	23	(57)	131
Change in cash and cash equivalents in the year		1,090	244
Cash and cash equivalents at the beginning of the year		8,904	7,902
Cash funds transferred on conversion		-	758
Cash and cash equivalents at the end of the year	25	9,994	8,904

The notes on pages 31 to 60 form part of these financial statements

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, 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.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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 financial statements.

The Trustees believe there are no material uncertainties raising uncertainty over the Trust's ability to continue and therefore, they have prepared these statements on the going concern basis.

1.3 Company status

The Trust is a Company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Academy's registered office is c/o Isle of Ely Primary School, School Road, Ely, Cambridgeshire, CB6 2FG.

1.4 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the objects of the 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 Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education.

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.5 Income

All incoming resources are included in the Statement of Financial Activities when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

• **Grants**

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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **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 year it is receivable and to the extent the Trust has provided the goods or services.

• **Donated goods, facilities and services**

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

1.6 Expenditure

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

• **Expenditure on raising funds**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Expenditure (continued)

- **Charitable activities**

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

- **Governance costs**

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trusts' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.9 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and 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 Trust's depreciation policy.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Land & buildings additions	- 15 years
Furniture and equipment	- 15%
Computer equipment	- 33%
Motor vehicles	- 25%

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.

1.10 Stocks

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

1.13 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 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.

1.14 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Operating leases

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

1.16 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

1.17 Prior year restatement

A reclassification was made in the prior year Statement of Financial Activities column between Income from Charitable Activities and income from Other Trading Activities totalling £397,000.

A separate reclassification was made in the prior year Balance Sheet to reclassify Investments from Cash at bank and in hand, totalling £1,250,000.

A separate reclassification was made in relation to prior year staff costs, to include £352,000 of additional staffing costs.

All prior year restatements were made to ensure disclosures are in line with ESFA guidance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trustees make 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 27, 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 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. 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.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transferred on conversion	-	-	-	40,661
Subtotal	-	-	-	40,661
Donations including central service contributions	1,605	-	1,605	152
Capital grants	-	1,780	1,780	1,304
Subtotal	1,605	1,780	3,385	1,456
	1,605	1,780	3,385	42,117
Total 2018	40,813	1,304	42,117	

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3. Income from donations and capital grants (continued)

In 2018, income transferred on conversion was £40,661,000 of which £531,000 was unrestricted, £3,430,000 restricted and £43,560,000 restricted fixed assets.

In 2018, income from donations was £152,000 of which all was unrestricted.

In 2019, capital grants of £1,780,000 (2018 - £1,304,000) were in relation to restricted fixed assets.

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant	-	38,165	38,165	37,322
Other DfE/ESFA grants	-	4,514	4,514	4,193
Start up grant	-	2	2	20
	-	42,681	42,681	41,535
Other Government grants				
Local Authority grants	148	4,820	4,968	4,751
	148	4,820	4,968	4,751
Other income				
Catering income	471	-	471	551
	619	47,501	48,120	46,837
Total 2018 as restated	551	46,286	46,837	

In 2018, income from DFE/ESFA grants was £41,535,000 of which all was restricted.

In 2018, income from other government grants was £4,751,000 of which all was restricted.

In 2018, income from catering was £551,000 of which all was unrestricted.

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5. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Hire of facilities	316	-	316	266
Other income	1,586	-	1,586	1,380
Music income	32	-	32	29
Staff services income	55	29	84	152
Uniform income	10	-	10	16
	1,999	29	2,028	1,843
	1,691	152	1,843	
Total 2018 as restated				

In 2018, income from other trading activities was £1,843,000 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Short term deposits	4	4	-
Bank interest	19	19	9
	23	23	9
	23	23	9

In 2018, all investment income was in relation to unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	17
Provision of Education:					
Direct costs	28,801	-	3,822	32,623	35,651
Support costs	13,692	4,995	4,294	22,981	17,243
	<u>42,493</u>	<u>4,995</u>	<u>8,116</u>	<u>55,604</u>	<u>52,911</u>
Total 2018 as restated	<u>41,026</u>	<u>3,113</u>	<u>8,772</u>	<u>52,911</u>	

In 2019, of the total expenditure, £4,271,000 (2018 - £238,000) was made from unrestricted funds, £50,295,000 (2018 - £50,529,000) was made from restricted funds, and £2,541,000 (2018 - £2,144,000) was made from restricted fixed asset funds.

In 2018, direct expenditure consisted of £31,904,000 staff costs and £3,747,000 other costs.

In 2018, support expenditure consisted of £8,572,000 staff costs, £3,113,000 premises costs and £5,558,000 other costs.

8. Charitable activities

	2019 £000	2018 £000
Direct costs	32,623	35,651
Support costs	22,981	17,243
	<u>55,604</u>	<u>52,894</u>

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Charitable activities (continued)

	2019 £000	2018 £000
Analysis of support costs		
Support staff costs	13,692	8,562
Depreciation	2,325	2,143
Technology costs	57	27
Premises costs	2,670	2,205
Other support costs	4,107	3,937
Governance costs	130	369
	22,981	17,243

9. Net expenditure

Net expenditure for the year includes:

	2019 £000	2018 £000
Operating lease rentals	96	88
Depreciation of tangible fixed assets	2,325	2,144
Fees paid to Auditors for:		
- audit	30	30
- other services	23	-
	23	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	As restated 2018 £000
Wages and salaries	31,101	30,368
Social security costs	2,695	2,518
Pension costs	7,330	6,841
	<u>41,126</u>	<u>39,727</u>
Agency staff costs	960	879
Staff restructuring costs	38	68
Staff development and other costs	369	352
	<u>42,493</u>	<u>41,026</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Severance payments	38	68
	<u>38</u>	<u>68</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £38,000 (2018: £nil). Individually, the payments were: £10,000, £9,000, £7,000, £5,000, £4,000, £2,000 and £1,000.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	507	411
Administration and support	1,048	559
Management	55	70
	<u>1,610</u>	<u>1,040</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	13	22
In the band £70,001 - £80,000	10	3
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	4	2
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	2
In the band £120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

e. Key Management Personnel

The Key Management Personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust in the year ended 31 August 2019 was £552,840 (2018 restated: £533,341).

Included in the above are employer national insurance contributions of £55,875 (2018: £55,171) and employer pension contributions of £41,915 (2018: £31,132).

11. Central services

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

- Human resources.
- Financial services
- Educational leadership and support.
- CPD.
- Strategic ICT.
- Procurement.
- Capital programme.
- Compliance including data protection.
- Internal audit.
- Data analysis.

The Trust charges for these services on the following basis:

A flat percentage of income at 4% of all GAG-related income

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11. Central services (continued)

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
The Neale-Wade Academy	261	249
Burrowmoor Primary School	58	60
Westwood Primary School	36	36
Gusford Primary School	91	95
Chesterton Primary School	33	27
Red Oak Primary School	67	83
Grove Primary School	45	48
Sidegate Primary School	85	82
Hillside Primary School	91	87
Kingsfield Primary School	64	63
Pakefield Primary School	59	59
Reydon Primary School	28	27
Isle of Ely Primary School	44	35
Chantry Academy	174	176
Highfield Ely Academy	48	49
Albert Pye Primary School	51	50
Ravensmere Infant School	12	12
Littleport & East Cambridgeshire Academy	49	26
Highfield Littleport Academy	33	23
Cromwell Community College	167	108
Earith Primary School	15	10
Total	1,511	1,405

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer (CEO) only receives remuneration in respect of services they provide undertaking the roles of CEO under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
Mr Gary Peile (deceased 2 February 2019)	Remuneration	45 - 50	110 - 115
	Pension contributions paid	nil	nil
Mr Clive Bush, Chief Executive Officer	Remuneration	55 - 60	15 - 20
	Pension contributions paid	nil	nil

During the year ended 31 August 2019, expenses totalling £3,730 were reimbursed or paid directly to 10 trustees (2018: £3,114 to 7 Trustees), relating to travel and subsistence.

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13. Trustees' and Officers' insurance

The 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 Trust 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 membership.

14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	172,256	1,823	2,011	52	176,142
Additions	1,279	63	186	54	1,582
At 31 August 2019	<u>173,535</u>	<u>1,886</u>	<u>2,197</u>	<u>106</u>	<u>177,724</u>
Depreciation					
At 1 September 2018	5,089	945	1,299	38	7,371
Charge for the year	1,648	278	369	30	2,325
At 31 August 2019	<u>6,737</u>	<u>1,223</u>	<u>1,668</u>	<u>68</u>	<u>9,696</u>
Net book value					
At 31 August 2019	<u>166,798</u>	<u>663</u>	<u>529</u>	<u>38</u>	<u>168,028</u>
At 31 August 2018	<u>167,168</u>	<u>877</u>	<u>712</u>	<u>14</u>	<u>168,771</u>

15. Stocks

	2019 £000	2018 £000
School uniform	<u>7</u>	<u>7</u>

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16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	167	53
Other debtors	40	-
Prepayments and accrued income	944	970
VAT recoverable	130	113
	<u>1,281</u>	<u>1,136</u>

17. Current asset investments

	2019 £000	2018 £000
Short term cash deposits	<u>1,250</u>	<u>1,050</u>

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18. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Salix loans	18	18
Government loans	40	40
Trade creditors	394	364
Other taxation and social security	654	627
Other creditors	14	-
Accruals and deferred income	1,584	1,341
	2,704	2,390
	2,704	2,390

The Trust agreed a loan from the Department for Education under the Capital Pilot Loan Programme in the prior year and drew an amount of £201,472. The loan is repayable at an interest rate of 1.75% and repayable over a term of 8 years. The amount due within one year is £35,982. As part of the above agreement, the Trust was granted an interest-free Salix loan of £12,000 which is repayable over a term of 8 years. The amount due within one year is £1,500.

The Trust inherited two interest-free Salix loans on conversion of Albert Pye Primary loans. The total balance introduced at 1 October 2016 amounted to £19,977. When the loans were introduced, the remaining term repayable was 3.1 years for the balance of £8,684 and 6.3 years for the balance of £11,293. The amount due within one year amount to £4,021.

The Trust inherited a loan from Cambridgeshire County Council on conversion of Highfield Ely Academy under the Mobilising Local Energy Investment initiative. The total balance introduced at 1 September 2016 amounted to £59,759 with a term of 15 years at an annual interest rate of 2.65%. The amount due within one year is £4,182. The Trust also inherited an interest-free Salix loan on conversion of Highfield Ely Academy. The total balance introduced at 1 September 2016 amounted to £101,086 which is repayable over a term of 8 years. The amount due within one year is £12,636.

Deferred income

	2019	2018
	£000	£000
Deferred income at 1 September 2018	1,025	449
Resources deferred during the year	970	1,025
Amounts released from previous periods	(1,025)	(449)
	970	1,025
	970	1,025

At the balance sheet date the Trust was holding funds received in advance for Universal Free School Meals, Local Authority Social Mobility Project funding, Local Authority Early Years funding, Rates income, trip and club income and other funds.

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19. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Salix loans	71	87
Government loans	229	264
	<u>300</u>	<u>351</u>

The Trust agreed a loan with Department of Education under the Capital Loan Programme and drew £201,472 during the year. The loan will be repayable at an interest rate of 1.75% and repayable over a term of 8 years. The amount due after more than one year is £179,908. As part of the above agreement the Trust was granted an interest-free Salix loan of £12,000, which is repayable over a term of 8 years. The amount due after more than one year is £6,750.

The Trust inherited two interest free loan on conversion of Albert Pye Primary School, one of which has since been repaid. The amount due after more than one year amounted to £5,133.

The Trust inherited a loan from Cambridgeshire County Council on conversion of Highfield Ely Academy under the Mobilising Local Energy Investment Initiative. The amount repayable after more than one year is £45,306. The Trust also inherited an interest-free Salix loan for which the amount repayable after more than one year amounts to £56,861.

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20. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	6,979	4,246	(4,271)	-	-	6,954
Restricted general funds						
General Annual Grant (GAG)	(8,508)	38,165	(29,487)	(170)	-	-
Other DfE/ESFA grants	2,787	4,514	(7,301)	-	-	-
Other Government grants	4,749	4,820	(9,555)	-	-	14
Other restricted funds	(163)	29	-	134	-	-
Start up grants	169	2	(171)	-	-	-
Pension reserve	(16,109)	-	(2,278)	-	(7,745)	(26,132)
	<u>(17,075)</u>	<u>47,530</u>	<u>(48,792)</u>	<u>(36)</u>	<u>(7,745)</u>	<u>(26,118)</u>
Restricted fixed asset funds						
Restricted fixed assets	166,670	-	(2,325)	3,682	-	168,027
DfE/ESFA capital grants	3,394	1,665	(101)	(3,646)	-	1,312
Other Government capital grants	-	115	(115)	-	-	-
	<u>170,064</u>	<u>1,780</u>	<u>(2,541)</u>	<u>36</u>	<u>-</u>	<u>169,339</u>
Total Restricted funds	<u>152,989</u>	<u>49,310</u>	<u>(51,333)</u>	<u>-</u>	<u>(7,745)</u>	<u>143,221</u>
Total funds	<u><u>159,968</u></u>	<u><u>53,556</u></u>	<u><u>(55,604)</u></u>	<u><u>-</u></u>	<u><u>(7,745)</u></u>	<u><u>150,175</u></u>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

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

Unrestricted funds

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.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Start-up grants

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

Other DfE/ESFA

This represents funding for specific educational provisions including amounts to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the Schools.

Other restricted funds

This represents restricted income in relation to staff absence insurance rebates.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to it on conversion from state controlled schools.

Restricted fixed asset fund

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

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
The Neale-Wade Academy	509	577
Burrowmoor Primary School	350	309
Westwood Primary School	146	181
Gusford Primary School	517	377
Chesterton Primary School	56	95
Red Oak Primary School	1,166	1,017
Grove Primary School	158	105
Sidegate Primary School	409	277
Hillside Primary School	356	447
Kingsfield Primary School	85	131
Pakefield Primary School	12	22
Reydon Primary School	117	116
Isle of Ely Primary School	230	86
Chantry Academy	553	620
Highfield Ely Academy	304	238
Albert Pye Primary School	137	100
Ravensmere Infant School	85	66
Littleport & East Cambridgeshire Academy	218	8
Highfield Littleport Academy	140	72
Cromwell Community College	879	774
Earith Primary School	76	63
Central Services	464	331
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,967	6,012
Restricted fixed asset fund	169,339	170,064
Pension reserve	(26,132)	(16,109)
	<hr/>	<hr/>
Total	150,174	159,967
	<hr/> <hr/>	<hr/> <hr/>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
The Neale-Wade Academy	4,438	2,445	121	1,642	8,646	7,897
Burrowmoor Primary	1,239	554	55	310	2,158	2,006
Westwood Primary	680	364	24	253	1,321	1,265
Gusford Primary	1,637	687	74	376	2,774	2,501
Chesterton Primary	439	216	33	257	945	775
Red Oak Primary	992	570	51	530	2,143	1,874
Grove Primary	766	324	44	336	1,470	1,462
Sidegate Primary	1,592	708	136	526	2,962	2,535
Hillside Primary	1,806	735	119	502	3,162	3,055
Kingsfield Primary	1,228	598	122	390	2,338	2,120
Pakefield Primary	1,015	494	45	358	1,912	1,822
Reydon Primary	495	200	39	171	905	810
Isle of Ely Primary	204	137	13	130	484	1,096
Chantry	2,767	1,237	166	1,200	5,370	4,860
Highfield Ely	1,883	876	78	264	3,101	2,586
Albert Pye Primary	900	414	52	271	1,637	1,532
Ravensmere Infant	144	97	14	101	356	348
Littleport & East Cambridgeshire	595	369	103	436	1,503	786
Highfield Littleport	748	375	47	410	1,580	852
Cromwell Community College	3,900	1,485	381	1,083	6,849	6,066
Earith Primary	682	290	50	355	1,377	312
Central Services	129	1,227	15	700	2,071	-
Trust	28,279	14,402	1,782	10,601	55,064	46,560

THE ACTIVE LEARNING TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	4,665	3,083	(239)	(530)	-	6,979
	<u>4,665</u>	<u>3,083</u>	<u>(239)</u>	<u>(530)</u>	<u>-</u>	<u>6,979</u>
Restricted general funds						
General Annual Grant (GAG)	860	38,654	(48,022)	-	-	(8,508)
Other DfE/ESFA grants	149	20	-	-	-	169
Pupil Premium	(76)	2,863	-	-	-	2,787
Other Government grants	(2)	4,751	-	-	-	4,749
Other restricted funds	(162)	-	-	-	-	(162)
Pension reserve	(14,187)	(3,430)	(2,507)	-	4,014	(16,110)
	<u>(13,418)</u>	<u>42,858</u>	<u>(50,529)</u>	<u>-</u>	<u>4,014</u>	<u>(17,075)</u>
Restricted fixed asset funds						
Restricted fixed assets	123,110	43,560	-	-	-	166,670
DfE/ESFA capital grants	3,703	1,304	(2,144)	531	-	3,394
	<u>126,813</u>	<u>44,864</u>	<u>(2,144)</u>	<u>531</u>	<u>-</u>	<u>170,064</u>
Total Restricted funds	<u>113,395</u>	<u>87,722</u>	<u>(52,673)</u>	<u>531</u>	<u>4,014</u>	<u>152,989</u>
Total funds	<u><u>118,060</u></u>	<u><u>90,805</u></u>	<u><u>(52,912)</u></u>	<u><u>1</u></u>	<u><u>4,014</u></u>	<u><u>159,968</u></u>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	168,029	168,029
Current assets	6,789	2,865	1,626	11,280
Creditors due within one year	165	(2,851)	(18)	(2,704)
Creditors due in more than one year	-	-	(298)	(298)
Provisions for liabilities and charges	-	(26,132)	-	(26,132)
Total	<u>6,954</u>	<u>(26,118)</u>	<u>169,339</u>	<u>150,175</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	168,771	168,771
Current assets	8,346	408	1,293	10,047
Creditors due within one year	(1,366)	(1,024)	-	(2,390)
Creditors due in more than one year	-	(350)	-	(350)
Provisions for liabilities and charges	-	(16,109)	-	(16,109)
Total	<u>6,980</u>	<u>(17,075)</u>	<u>170,064</u>	<u>159,969</u>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,048)	37,894
Adjustments for:		
Depreciation	2,325	2,144
Capital grants from DfE and other capital income	(1,780)	(1,304)
Interest receivable	(23)	(9)
Interest payable	4	4
Pension adjustment	2,278	2,507
Decrease in stocks	-	7
(Increase)/decrease in debtors	(145)	576
Increase/(decrease) in creditors	316	(496)
Amounts on conversion	-	(40,888)
Net cash provided by operating activities	927	435

23. Cash flows from financing activities

	2019 £000	2018 £000
Repayments of borrowing	(52)	135
Interest payable	(5)	(4)
Net cash (used in)/provided by financing activities	(57)	131

24. Cash flows from investing activities

	2019 £000	2018 £000
Interest	22	9
Purchase of tangible fixed assets	(1,582)	(1,681)
Capital grants from DfE Group	1,780	1,304
Capital funding received from sponsors and others	-	46
Net cash provided by/(used in) investing activities	220	(322)

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	8,744	7,854
Short fixed term deposits	1,250	1,050
Total cash and cash equivalents	9,994	8,904

26. Capital commitments

	2019	2018
	£000	£000
Expenditure contracted for but not provided in these financial statements	370	230
	370	230

Capital commitments at 31 August 2019 relate to Grove Primary School electrical distribution board works for £23,000, Gusford Primary School roofing replacement works for £337,000 and Ravensmere Infant School window repair works for £10,000.

27. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire Pension Fund and Suffolk Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £2,952,000 (2018 - £4,124,000).

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 an unfunded 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.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £3,243,000 (2018 - £3,068,000), of which employer's contributions totalled £2,565,000 (2018 - £2,434,000) and employees' contributions totalled £678,000 (2018 - £634,000). The agreed contribution rates for future years are 14-24.3% per cent for employers and 5.5-12.5% per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries (Cambridgeshire)	2.6	2.6
Rate of increase for pensions in payment/inflation (Cambridgeshire)	2.3	2.3
Discount rate for scheme liabilities (Cambridgeshire)	1.9	2.8
Inflation assumption (CPI) (Cambridgeshire)	2.3	2.3
Rate of increase in salaries (Suffolk)	2.6	2.7
Rate of increase for pensions in payment/inflation (Suffolk)	2.3	2.4
Discount rate for scheme liabilities (Suffolk)	1.8	2.8
Inflation assumption (CPI) (Suffolk)	2.3	2.4

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males (Suffolk/Cambridgeshire)	21.3/21.5	22.4
Females (Suffolk and Cambridgeshire)	23.5	24.4
<i>Retiring in 20 years</i>		
Males (Suffolk/Cambridgeshire)	22.3/22.4	24.0
Females (Suffolk and Cambridgeshire)	24.9	26.3

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

As at the 31 August 2019 the Trust had a pension liability of £26,132,000 (2018 - £16,109,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(1,411)	(887)
Discount rate -0.1%	14,111	887
Mortality assumption - 1 year increase	2,115	1,552
Mortality assumption - 1 year decrease	(2,115)	(1,552)
CPI rate +0.1%	1,223	732
CPI rate -0.1%	(1,223)	(732)
	<u> </u>	<u> </u>

The Trust's share of the assets in the scheme was:

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	16,743	17,720
Corporate bonds	5,340	2,685
Property	4,405	1,645
Cash and other liquid assets	264	644
	<u> </u>	<u> </u>
Total market value of assets	<u> </u> <u> </u>	<u> </u> <u> </u>

The actual return on scheme assets was £1,197,000 (2018 - £1,276,000).

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

	2019 £000	2018 £000
Current service cost	(4,180)	(4,477)
Past service cost	(190)	-
Interest income	673	497
Interest cost	(1,146)	(961)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	<u> </u> <u> </u>	<u> </u> <u> </u>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September	38,803	31,062
Obligation acquired on conversion	-	5,240
Current service cost	4,180	4,477
Interest cost	1,146	961
Employee contributions	678	634
Actuarial losses/(gains)	8,269	(3,235)
Benefits paid	(382)	(336)
Past service costs	190	-
At 31 August	<u>52,884</u>	<u>38,803</u>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £000	2018 £000
At 1 September	22,694	16,876
Assets acquired on conversion	-	1,810
Interest income	673	497
Actuarial gains	524	779
Employer contributions	2,565	2,434
Employee contributions	678	634
Benefits paid	(382)	(336)
At 31 August	<u>26,752</u>	<u>22,694</u>

THE ACTIVE LEARNING TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	95	96
Later than 1 year and not later than 5 years	114	177
Later than 5 years	66	1
	<u>275</u>	<u>274</u>

During the year the Trust entered into arrangements with Cambridgeshire County Council under a Mobilising Local Energy Investment agreement that has been classified as an operating lease. Over 14 years £101,758 will be paid as part of the initiative, with £5,934 being within one year.

29. Members' liability

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

30. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted in accordance with the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Mrs Kerr, the spouse of M Kerr, a Trustee, is employed by the Trust as a personal assistant. Mrs Kerr's appointment was made in open competition and M Kerr was not involved in the decision-making process regarding appointment. Mrs Kerr is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

Ms Cutchey, the daughter of J Cutchey, a Trustee, is employed by the Trust as an admin assistant. Ms Cutchey's appointment was made in open competition and J Cutchey was not involved in the decision-making process regarding appointment. Ms Cutchey is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

