

Learning for Life Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period Ended 31 August 2016



Company Registration Number: 09690231
(England & Wales)

Learning for Life Trust

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Reference and Administrative Details

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2016.

		Appointed	Resigned
Members			
	Mrs D Yoxall	16/07/2015	
	Mrs Leah Lister	16/07/2015	
	Mrs E Goodfellow	16/07/2015	
Trustees			
	Mr O Nicols (Chair)	16/07/2015	
	Mrs V Bennett	16/07/2015	
	Mr C Smith	16/07/2015	
	Mrs A Pattinson (Principal and Accounting Officer)	16/07/2015	
	Mrs D Yoxall	16/07/2015	28/02/2016
Local Governing Body for Fairfield Primary School			
	Mr O Nicols (Parent Governor)	November 2014	
	Mrs V Bennett (Chair)	November 2014	
	Mr C Smith	September 2014	
	Mrs J Sutton (Staff)	August 2015	
	Mrs S Sapsford	May 2016	
	Mr A Cooney (Parent Governor)	May 2016	
	Mrs C Holmes (Parent Governor)	August 2015	December 2016
	Mrs D Yoxall	August 2015	December 2016
	Mrs L Lister	August 2015	December 2016
	Mrs E Goodfellow	August 2015	December 2016
Company Secretary	C Parker	16/07/2015	
Senior Management Team			
• Executive Principal	Mrs A Pattinson		
• Deputy Headteacher	Mrs J Sutton		
• SENCO	Mrs S Johnson		
• Early Years Lead	Mrs L Harrison		
• School Business Manager	Mrs C Parker		
Company Name	Learning for Life Trust		
Principal and Registered Office	Gallowbarrow Cockermouth CA13 0DX		
Company Registration Number	07698461 (England & Wales)		

Reference and Administrative Details (continued)

Independent Auditor

Saint and Co
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Bankers

Lloyds Bank Plc
Keswick Branch
PO Box 1000
Andover
BX1 1LT

Solicitors

Burnetts
6 Victoria Place
Carlisle
Cumbria
CA1 1ES

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 16 July 2015 to 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates one primary academy for pupils aged 3 to 11 in Cockermouth. Fairfield Primary has a pupil capacity of 420 and had a roll of 379 in the school census in summer 2016.

Structure, Governance and Management

Constitution

The Academy Trust was incorporated on 16 July 2015. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Learning for Life Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Learning for Life Trust. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details. The Board of Trustees has formally met 3 times during the year.

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 they cease to be a member.

Governor's Indemnities

In respect of the governors, the Academy Trust holds professional indemnity insurance via the Department of Education's risk protection arrangements. The limit of indemnity is currently £5,000,000.

Method of Recruitment and Appointment or Election of Governors

On 16 July 2015 when the Trust was established three Members who had previously served as Governors at Fairfield Primary School were in place and remain so. Five Trustees were appointed when the Trust was established to serve the Trust with one resignation and four now remaining.

Trustees are appointed for a four year period, except that this time limit does not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

There are presently 3 vacancies on the Board of Trustees, to replace one resignation and to accommodate trust growth.

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

The training and induction provided for new Trustees will depend upon their existing experience but includes a tour of all the Academies within the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees.

Trustees' Report (continued)

Organisational Structure

The Board of Trustees normally meets once each term. During our first year as a Trust the Board has been concentrating on establishing and agreeing its strategy, non-negotiables, terms of reference, scheme of delegation and policies and procedures for School Local Governing Bodies, who may join the Trust in time.

It is an expectation that as the Trust grows it should receive reports and Key Performance Indicators from all School Governing Bodies as they join the trust.

The operation of the Trust and the School/s within the Trust is clearly laid out in our Scheme of Delegation.

Currently, the multi academy trust is a single academy trust with one school, Fairfield Primary School. A local governing body provides governance of Fairfield Primary School under the remit of the scheme of delegation. Two sub committees provide in-depth scrutiny; Standards Committee, providing scrutiny of curriculum and standards, and the Resource Committee to review and manage budget, and oversee health and safety including safeguards and building maintenance.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of the academies key management personnel is set by a subcommittee of the Trustees with support and guidance of an external consultant and reviewed annually. Pay scales are taken from the School Teachers Pay and Conditions document for teaching staff or from the Cumbria County Council job families pay and grading structure for support staff.

Connected Organisations, including Related Party Relationships

The multi academy trust is made up of the following schools:

- Fairfield Primary School Academy

There are no other connected organisations however the academy trust works very closely with a group of schools (Bransty Primary, St Herberts Primary & Newlaithes Primary) sharing good practice and undertaking Peer to Peer reviews with each school.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Academy Trust's object is specifically restricted to the provision for the public benefit education in the United Kingdom, by establishing and managing the school and promoting a broad and balanced curriculum for all students.

The aims of the trust are to achieve academic excellence and produce lifelong learners in a safe and nurturing environment:

- achieving academic excellence through courageous, inspiring and innovative teaching and continuous improvement.
- achieving lifelong learners who are effective learners part of the wider world.
- achieving a safe and nurturing environment, with mutual trust and respect and equal partnerships celebrating diversity.

Objectives, Strategies and Activities

Key priorities for the next three years can be found in the School Improvement Plan of Fairfield Primary School. A strategic overview is compiled each term followed by a termly evaluation by all stakeholders.

The school holds its own Self-Evaluation Document which using the present Ofsted Framework grades the school as Good in all areas with many outstanding features.

The key activities and targets for the Trust have been formulated as a draft improvement plan, and lays out:

Vision and values

- developing a strategy for communicating the trust vision

Business, Financial and Operational matters

- developing the scheme of delegation
- establishing strategies for income generation
- secure reputable accountancy services for the Trust
- ensure all personnel have relevant training to run a high performing MAT.

Growth Strategy, Branding and Marketing

- develop branding and marketing materials and a growth strategy

Quality assurance

- develop system for monitoring performance of academies

Public Benefit

The Trustees have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education. The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential.

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Key Financial Performance Indicators

KEY STAGE 1 RESULTS

	PUPILS ACHIEVING EXPECTED STANDARD			
	Schools' Result	Cumbrian Average	National Average	Difference of school to National
Reading	83.3%	69%	74%	9.3%
Writing	66.7%	57%	66%	0.7%
Spelling, Punctuation and Grammar	-	-	-	-
Mathematics	81.7%	67%	73%	8.7%
Reading, Writing and Mathematics combined	63.3%	51%	60%	3.3%

Number of pupils in cohort - 43

Year 1 Phonics Screening Results 2016	Pupils meeting the expected standard
School results	National results
47%	81%

Number of pupils in cohort - 60

KEY STAGE 2 RESULTS

Number in cohort- 58

Pupils achieving a scaled score of 100 or more at the end of KS2

	Pupils Achieving Expected Standard			Pupils Achieving Higher Standard	
	Schools' Result	Cumbrian Average	National Average	Schools' Result	National Average
Reading	91%	68%	66%	38%	19%
Writing	83%	70%	74%	10%	15%
Spelling, Punctuation and Grammar	83%	70%	72%	38%	23%
Mathematics	91%	67%	70%	48%	17%
Reading, Writing and Mathematics combined	81%	51%	53%	7%	5%

N.B. National 'Floor Standard' for attainment is 65% for all subjects combined * = A scaled score of 110 or more is the threshold for a pupil's performance to be viewed as being to a higher standard than expected.

AVERAGE PROGRESS

	School's Progress	Compared to National Average
Reading	2.0	0*
Writing	-3.5	0*
Mathematics	3.4	0*

This is calculated using as a value added measure from KS1 to KS2. It is based on value added in each of reading, writing and maths compared with the scores of pupils with the same Key Stage 1 results.

National 0* 0* 0* * = The calculating of 'Value Added' nationally ensures that average progress is zero.

N.B. The government's progress floor targets for KS2: -5 in Reading; -7 in Writing -5 in Maths

Trustees' Report (continued)

Interpreting progress scores

Progress scores will be centred around 0, with most schools within the range of -5 to +5.

- A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.
- A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.
- A negative score means pupils in this school on average do worse at KS2 as those with similar prior attainment nationally.
- A negative score does not mean that pupils did not make any progress, rather it means they made less progress than other pupils nationally with similar starting points.

AVERAGE SCALED SCORES

	School	Cumbria Average	National Average
Reading	108	103	103
Spelling, Punctuation and Grammar	107	103	104
Mathematics	109	102	103

EARLY YEARS DATA

	Cohort	% of pupils achieving a GLD	
		School	National
All pupils	47	70.2%	69.3%
Male	25	72.0%	62.1%
Female	22	68.2%	76.8%
FSM			
Non FSM	47	70.2%	69.3%

	Percentage of pupils achieving at least expected in						
	Communication & Language			Literacy		Mathematics	
	Listening & Communication	Understanding	Speaking	Reading	Writing	Number	Shape, Space & Measure
School	83%	89%	89%	87%	70%	77%	85%
National	86%	86%	85%	77%	73%	79%	82%

	Percentage of pupils achieving at least expected in					
	Physical Development		Personal, Social & Emotional Development			
	Moving & Handling	Health & Self Care	Self-Confidence & Self-awareness	Managing Feelings & Behaviour	Making Relationships	
All Pupils	School	83%	89%	87%	89%	94%
Cohort 47	National	90%	91%	89%	88%	89%

	Percentage of pupils achieving at least expected in					
	Understanding of the World			Expressive Arts & Design		
	People & communities	The World	Technology	Exploring and using media and materials	Being Imaginative	
All Pupils	School	83%	79%	91%	87%	75%
Cohort 47	National	86%	86%	92%	89%	88%

Data taken from Gov.uk National Statistics Early Years Foundation Stage Profile results 2015 to 2016.
 Additional Characteristics tables (FSM/Male/Female) available from 24th November 2016

Trustees' Report (continued)

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Executive Principal and Deputy Headteacher. In the year 2015/16 100% of lessons observed were judged to be Good or better. In addition the school undertakes regular book scrutinies and Learning Walks to monitor standards. An external review of the school's performance was undertaken through a peer to peer review by two Headteachers from other partnership schools. The peer to peer review validated the evaluation of the school.

The MAT was successful at obtaining Condition Improvement Funding for two bids at the Academy. This has enabled new boilers to be installed in all three buildings and new heating systems to be installed into two buildings.

The school has held several successful CPD conference days which have been attended by other schools which has assisted with costs and also generated some income. This has enabled all staff to gain further understanding of Nurturing Schools, the teaching of Reading and Writing, Mindfulness and Developing Resilience in Learners.

The PTA continue to be an asset to the school and have this year raised in excess of £8K which will be used to purchased outdoor adventure playground equipment for Key Stage 2.

A rolling programme for the replacement of aging and problematic ICT equipment has been established and three new colour monitors have been purchased to replace old Interactive Whiteboards. The school has also purchased some I-pads and tablets to assist with the implementation of new apps and software to support teaching, learning, assessment and communication with parents.

Going Concern

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

Trustees' Report (continued)

Financial Review

Financial Review

The Academy Trust's accounting period is 16 July 2015 to 31 August 2016.

During the period under review, the majority of the Academy Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Academy's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the school received total revenue funding for Charitable activities of £1,810,051, of which £1,434,102 was from the DfE in the form of GAG funding (79%).

In addition to the recurrent funding the school was successful in attracting capital funding £205,812 for refurbishment of the school's infrastructure from the DfE. This funding has enabled the school to replace the school boilers.

Revenue expenditure was £1,775,983, of which staffing is the main area of cost at £1,381,496 (78%).

Reserves Policy

At the end of the period the governors were holding £76,254 in restricted general funds (GAG £76,254) and £197,476 in unrestricted funds, which are within DfE guidelines. The trustees review the level of reserves annually as part of its budget planning cycle, and aims to carry forward a prudent level of resources from General Annual Grant as a contingency for future unforeseen circumstances, and as contributions towards future capital improvement programmes.

Funds in Deficit

The Academy holds a deficit on the local government pension scheme of £832,000. In the event of the closure of the Academy, this deficit would be met by the DfE.

Investment Policy

In a period of financial uncertainty and historically low interest rates, the Academy Trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

Principal Risks and Uncertainties

The principal risks to the Academy are financial and result from the projected deficit on the Local Government Pension Scheme, and from the proposed changes to the funding formulas. The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Long term financial planning is focused on maintaining the breadth and quality of the school's curriculum.

Financial and Risk Management Objectives and Policies

The trustees are responsible for the management of the risks the Academy is exposed, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Academy's Risk Register, and procedures are being developed to manage the risk.

Principal Funding Sources

The majority of the academy's income is obtained from the Education Funding Authority (EFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Trustees' Report (continued)

Plans for Future Periods

The Trust will continue to strive to provide an outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for pupils in the wider community. Full details of our plans for the future are given in our MAT Improvement Plan.

We are aware that our budget forecast is predicting a deficit in future years as staff costs rise and predicted pupil numbers decline, although this could change given the recent ongoing building in the town. Reductions in staffing and other savings will need to be made during this academic year in order to address this.

The school has held talks with several schools who were keen to learn about Multi- Academy Trusts but who have not taken steps to move away from Local Authority control. The school is eligible to sponsor other primary schools and to support the Headteachers and the Senior Leadership Teams through their conversion to an Academy if approached by the DfE. We will continue to work with other Good and Outstanding Primary schools to share best practice and resources through our school to school partnerships and through our work with Whole Education.

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 Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees on 4th December 2016 and signed on its behalf by:



Mr O Nicols
Chair of Trustees

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Learning for Trust and the Secretary of State for Education.

Governors are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement.

Attendance during the year at meetings of the **trustee body** was as follows:

Governor	Meetings attended	Out of a possible
Mrs V Bennett	3	3
Mr O Nicols	3	3
Mrs A Pattinson	3	3
Mrs D Yoxall (Resigned March 2016)	2	2
Mr C Smith	1	3

Attendance during the year at meetings of the **Local Governing Body** was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Sutton	6	6
Mrs V Bennett	6	6
Mr O Nicols	6	6
Mr C Smith	3	6
Mrs S Sapsford	1	1
Mr A Cooney (Appointed May 2016)	1	1
Mrs C Holmes (Resigned March 2016)	5	5
Mrs D Yoxall (Resigned December 2016)	2	3
Mrs L Lister (Resigned December 2016)	3	3
Mrs E Goodfellow (Resigned December 2016)	2	3

Governance Review

- In its first year, the trustee board has developed a scheme of delegation which details what accountability has been delegated to the local governing body.
- Initial work has been done through a full governor skills audit. This will be reviewed in the Spring Term and an action plan formulated.
- The trustees have also developed a governance improvement plan as part of the school 3 year improvement plan, running from 2016 - 2019. This includes aims in improving training, improvement in monitoring, improvements in developing relationships with the parents and local community. The plan has detailed actions which are reviewed termly.
- The academy is subject to an external evaluation through a peer to peer review in February 2017. This will also cover governance.
- The academy has also recently conducted a school self-evaluation which includes a review of governance.

Governance Statement (continued)**Review of Value for Money**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal 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 board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- As a high proportion of the schools revenue expenditure is spent on teaching staff, the school undertakes an annual review of its curriculum offer and its staffing requirements to ensure it is appropriate for the size of school.
- Contracts tendered via Cowen & Co with specialist knowledge for the CIF projects.
- Considered review by trustees of the Financial Comparison Card

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning for Life Trust for the period 16 July 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 16 July 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The Risk and Control Framework

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

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

Governance Statement (continued)

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Saint and Co the external auditor, to perform additional checks.

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

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

On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The external auditor has delivered their schedule of works as planned and any recommendations have been considered.

Review of Effectiveness

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

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

Approved by order of the members of the Trustee Body on 04 December 2016 and signed on its behalf by:



Mr O Nicols
Chair of Trustees



Mrs A Pattinson
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of the Learning for Life Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Multi-Academy Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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



Mrs A Pattinson
Accounting Officer

13.12.16

Date

Statement of Trustees' Responsibilities

The Trustees of the Learning for Life Trust (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr O Nicols
Chair of Trustees
4th December 2016

Independent Auditor's Report on the Financial Statements to the Board of Trustees of the Learning for Life Trust

We have audited the financial statements of the Learning for Life Trust for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the Learning for Life Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report on the Financial Statements to the Board of Trustees of the Learning for Life Trust (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

14/12/16

Date

Independent Reporting Accountant's Assurance Report on Regularity to the Learning for Life Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 14/01/2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Learning for Life Trust during the period 16 July 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Learning for Life Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Learning for Life Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Learning for Life Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of the Learning for Life Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Learning for Life Trust's funding agreement with the Secretary of State for Education dated 30 July 2015 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 16 July 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent Reporting Accountant's Assurance Report on Regularity to the Learning for Life Trust and the Education Funding Agency (continued)

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

The work undertaken to draw to our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 16 July 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Ian Thompson (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

14/12/16 Date

Statement of Financial Activities for the Period Ended 31 August 2016

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total PY - N/A £
Income and endowments from:						
Donations and capital grants	2	633	-	214,017	214,650	-
Transfer from local authority on conversion	25	216,655	(450,000)	1,417,945	1,184,600	-
Charitable activities						
Funding for the Academy 's educational operations	3	172,479	1,637,572	-	1,810,051	-
Other trading activities						
Investments	4	-	-	-	-	-
	5	374	-	-	374	-
Total		390,141	1,187,572	1,631,962	3,209,675	-
Expenditure on:						
Charitable activities						
Academy trust educational operations	8	171,858	1,604,125	222,012	1,997,995	-
Other trading activities						
	7	-	-	-	-	-
Total	6	171,858	1,604,125	222,012	1,997,995	-
Net income / (expenditure)		218,283	(416,553)	1,409,950	1,211,680	-
Transfers between funds	11	(20,807)	16,807	4,000	-	-
Other recognised gains and (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(356,000)	-	(356,000)	-
Net movement in funds		197,476	(755,746)	1,413,950	855,680	-
Reconciliation of funds						
Total funds brought forward	18	-	-	-	-	-
Total funds carried forward	18	197,476	(755,746)	1,413,950	855,680	-

All of the academy's activities derive from continuing operations during the above financial periods.

Balance Sheet as at 31 August 2016

Company Number 09690231

	Note	2016 £	2016 £	PY - N/A £	PY - N/A £
Fixed assets					
Tangible assets	14		1,346,630		-
Investments			-		-
			<u>1,346,630</u>		<u>-</u>
Current assets					
Stock	15	4,293		-	
Debtors	16	144,244		-	
Cash at bank and in hand		<u>322,260</u>		-	
		470,797		-	
Liabilities					
Creditors: Amount falling due within one year	17	<u>(129,747)</u>		-	
Net current assets			<u>341,050</u>		<u>-</u>
Total assets less current liabilities			1,687,680		-
Defined benefit pension scheme liability	23		(832,000)		-
Total net assets			<u><u>855,680</u></u>		<u><u>-</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	18	1,413,950		-	
General funds	18	76,254		-	
Pension reserve	18,23	<u>(832,000)</u>		-	
Total restricted funds	18		658,204		-
Unrestricted income funds					
General fund	18	<u>197,476</u>		-	
Total unrestricted funds			197,476		-
Total funds			<u><u>855,680</u></u>		<u><u>-</u></u>

The financial statements were approved by the trustees, and authorised for issue on 04 December 2016 and signed on their behalf by:



Mr O Nicols
Chair of Trustees



Mrs A Pattinson
Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2016

	2016 £	PY - N/A £	
Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,211,680	-	
<i>Adjusted for:</i>			
Depreciation	79,333	-	
Capital grants from DfE and other capital income	(214,017)	-	
Interest receivable	(374)	-	
Defined benefit pension scheme obligation inherited	450,000	-	
Defined benefit pension scheme costs less contributions payable	9,000	-	
Defined benefit pension scheme net pension finance costs	17,000	-	
Cash transferred on conversion to an academy trust	(216,655)	-	
Assets transferred from predecessor school	(1,417,945)	-	
Decrease/(Increase)Increase in stocks	(4,293)	-	
Decrease/(Increase) in debtors	(144,244)	-	
Increase/(Decrease) in creditors	129,747	-	
Net cash provided by / (used in) Operating Activities	(100,768)	-	
Cash flows from financing activities			
Repayments of borrowing	-	-	
Cash inflows from new borrowing	-	-	
Net cash provided by / (used in) financing activities	-	-	
Cash flows from investing activities			
Interest receivable	374	-	
Proceeds from sale of tangible fixed assets	-	-	
Purchase of tangible fixed assets	(1,425,963)	-	
Capital grants from DfE and other capital income	214,017	-	
Cash transferred on conversion to an academy trust	216,655	-	
Assets transferred from predecessor school	1,417,945	-	
Net cash provided by / (used in) investing activities	423,028	-	
Change in cash and cash equivalents in the reporting period	322,260	-	
Cash and cash equivalents at 1 August 2015	-	-	
Cash and cash equivalents at 31 August 2016	322,260	-	
Analysis of cash and cash equivalents	1 Aug 15	Cash flows	31 Aug 16
	£	£	£
Cash in hand and at bank	-	322,260	322,260
Total cash and cash equivalents	-	322,260	322,260

Notes to the Financial Statements for the Period Ended 31 August 2016**1. Statement of Accounting Policies**

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

Basis of Preparation

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

The trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

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 period is deducted from income and recognised as a liability.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.
- Donations, legacies and other forms of voluntary income are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- Donated goods, facilities and services. Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**1. Statement of Accounting Policies (Continued)**

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

Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Conversion of State Maintained School to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Fairfield Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in notes.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**1. Statement of Accounting Policies (Continued)****Tangible Fixed Assets**

Tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The capitalisation policy of items as tangible fixed assets is single items costing £2,000 or more.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Leasehold land - straight line over remaining lease term
- Leasehold buildings - straight line over economic life (ranging from 15 -20 years)
- Information communications & technology equipment - 3 years straight line
- Furniture fittings & equipment - 5 years straight line
- Motor vehicles - 25% reducing balance

Assets are depreciated in full in the year of purchase.

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

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

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

Liabilities

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

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**1. Statement of Accounting Policies (Continued)****Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Stocks

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pension Benefits

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**1. Statement of Accounting Policies (Continued)****Fund Accounting**

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

School funds that are not otherwise restricted are designated within unrestricted funds. An amount equal to the value of the investment bond is also designated.

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

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in notes, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2015. 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.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

2. Donations and Capital Grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2016	Total PY - N/A
	£	£	£	£	£
EFA Capital grants	-	-	214,017	214,017	-
Donated fixed assets	-	-	-	-	-
Miscellaneous donations	633	-	-	633	-
	<u>633</u>	<u>-</u>	<u>214,017</u>	<u>214,650</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. Funding for Academy's educational operations

	Unrestricted Funds	Restricted Funds	Total 2016	Total PY - N/A
	£	£	£	£
DfE/EFA Grants				
General Annual Grant (GAG)	-	1,434,102	1,434,102	-
Pupil premium	-	31,495	31,495	-
Universal infant free school meals (UIFSM)	26,729	-	26,729	-
Other DfE/EFA grants	-	40,134	40,134	-
	<u>26,729</u>	<u>1,505,731</u>	<u>1,532,460</u>	<u>-</u>
Other Government Grants				
LA funded statements	-	13,512	13,512	-
Nursery income	-	45,336	45,336	-
Other government grants	-	2,316	2,316	-
	<u>-</u>	<u>61,164</u>	<u>61,164</u>	<u>-</u>
Catering	62,657	-	62,657	-
School fund income	83,031	-	83,031	-
School trips income	-	41,633	41,633	-
Other educational income	62	29,044	29,106	-
	<u>172,479</u>	<u>1,637,572</u>	<u>1,810,051</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4. Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2016	Total PY - N/A
	£	£	£	£
Hire of facilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. Investment Income

	Unrestricted Funds	Restricted Funds	Total 2016	Total PY - N/A
	£	£	£	£
Bank interest receivable	374	-	374	-
Other interest receivable	-	-	-	-
	<u>374</u>	<u>-</u>	<u>374</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

6. Expenditure	Staff	Non Pay Expenditure		Total 2016	Total PY - N/A
	Costs	Premises	Other Costs		
	£	£	£	£	£
Cost of other trading activities	-	-	-	-	-
Academy's educational operations					
Direct costs	1,188,490	25,631	56,933	1,271,054	-
Allocated support costs	193,006	258,407	275,528	726,941	-
	<u>1,381,496</u>	<u>284,038</u>	<u>332,461</u>	<u>1,997,995</u>	<u>-</u>
	<u>1,381,496</u>	<u>284,038</u>	<u>332,461</u>	<u>1,997,995</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net income/(expenditure for the period includes:		2016	PY - N/A
		£	£
Depreciation		79,333	-
Operating lease rentals		1,861	-
(Gain) / loss on disposal of fixed assets		-	-
Fees payable to current auditor	- audit of the financial statements	4,100	-
	- other assurance services	3,100	-
	- other services	3,800	-
		<u>3,800</u>	<u>-</u>

7. Cost of Other Trading activities	Unrestricted	Restricted	Total 2016	Total PY - N/A
	Funds	Funds		
	£	£	£	£
Trading activities costs	-	-	-	-
Maintenance of premises and equipment	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2016	Total PY - N/A
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	1,188,490	1,188,490	-
Depreciation	-	25,631	25,631	-
Educational supplies	-	24,782	24,782	-
Staff development	-	17,593	17,593	-
Staff insurance	-	8,460	8,460	-
Examination fees	-	-	-	-
Educational consultancy	-	6,098	6,098	-
Other direct costs	-	-	-	-
	<u>-</u>	<u>1,271,054</u>	<u>1,271,054</u>	<u>-</u>
Support Costs - educational operations				
Support staff costs	37,793	155,213	193,006	-
Depreciation	-	53,702	53,702	-
Staff development	-	-	-	-
Maintenance of premises and equipment	-	157,399	157,399	-
Professional Fees	-	13,704	13,704	-
Cleaning	-	6,036	6,036	-
Rates and water	-	6,816	6,816	-
Heat and light	-	22,977	22,977	-
Insurance	-	11,477	11,477	-
Transport	-	903	903	-
Catering	125,028	-	125,028	-
Technology costs	-	19,377	19,377	-
School fund expenses	9,037	-	9,037	-
School trips & activities	-	40,061	40,061	-
Other support costs	-	16,502	16,502	-
	<u>171,858</u>	<u>504,167</u>	<u>676,025</u>	<u>-</u>
Support Costs - governance				
Audit fees	-	4,100	4,100	-
Accountancy and assurance fees	-	6,900	6,900	-
Trustees' training and expenses	-	-	-	-
Legal and professional fees	-	22,916	22,916	-
Net finance costs in respect of defined benefit pension schemes	-	17,000	17,000	-
	<u>-</u>	<u>50,916</u>	<u>50,916</u>	<u>-</u>
Total direct and support costs	<u>171,858</u>	<u>1,826,137</u>	<u>1,997,995</u>	<u>-</u>
Previous year total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

9. Staff

a. Staff costs

Staff costs during the period were:

	2016 £	PY - N/A £
Wages and salaries	1,101,125	-
Social security costs	77,148	-
Pension costs	203,223	-
	<u>1,381,496</u>	<u>-</u>
Supply staff costs	-	-
Staff restructuring costs	-	-
Less: seconded out of the organisation	-	-
	<u>1,381,496</u>	<u>-</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil.

c. Staff numbers

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

	2016 No	PY - N/A No
Charitable Activities		
Management	1	-
Teachers	20	-
Administration and support	44	-
	<u>65</u>	<u>-</u>

d. Higher paid staff

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

	2016 No	PY - N/A No
£60,000 to £69,999	1	-
	<u>1</u>	<u>-</u>

The above is based on a 12 month period and not the 13 month financial statements.

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 the employer's pension contributions in respect of this employee amounted to £7,226 (2015: N/A).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £261,100 (2015: N/A).

The above is based on a 12 month period and not the 13 month financial statements.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

10. Central Services

No central services were provided by the trust to its academies during the period and no central charges arose.

Fairfield Primary School joined the Learning for Life Trust on 01 August 2015.

11. Transfers Between Funds

	2016
	£
Unrestricted funds	
Conversion funds in relation to excursions and school funds moved to general fund	158,177
Conversion funds in relation to excursions and school funds moved from general fund	(158,177)
UIFSM 2015/16 Provisional allocation received in conversion surplus so moved to unrestricted designated catering fund	(31,271)
UIFSM 2015/16 Provisional allocation received in conversion surplus so moved to unrestricted designated catering fund	31,271
Designated catering overspend in the year covered by GAG funds	4,371
Designated wraparound fund to GAG to cover unallocated costs	(5,424)
Designated school fund to GAG to cover unallocated costs	(19,754)
	<u>(20,807)</u>
Restricted general funds	
School trips fund to GAG to cover unallocated costs	(1,572)
School trips fund to GAG to cover unallocated costs	1,572
Contribution from GAG in relation to Condition Improvement Fund project	(2,000)
Contribution from GAG in relation to Condition Improvement Fund project	(2,000)
Designated catering overspend in the year covered by GAG funds	(4,371)
Designated wraparound fund to GAG to cover unallocated costs	5,424
Designated school fund to GAG to cover unallocated costs	19,754
	<u>16,807</u>
Restricted fixed asset funds	
DfE/EFA formula grant to Fixed assets fund - purchases of fixed assets	(8,018)
Fixed assets used for charitable purposes - purchases from funds per above	8,018
Contribution from GAG in relation to Condition Improvement Fund project	2,000
Contribution from GAG in relation to Condition Improvement Fund project	2,000
	<u>4,000</u>

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**12. Related Party Transactions – Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees.

The value of trustees' remuneration and other benefits for the period was as follows:

Andrea Pattinson (exec principal)		
Remuneration	£65,000 to £69,999	(2015: N/A)
Employer's pension contributions	£10,000 to £14,999	(2015: N/A)

During the period ended 31 August 2016, there were no travel and subsistence expenses reimbursed or paid directly to trustees (2015: N/A).

13. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2016 provides cover up to £5,000,000 (2015: N/A) on any one claim.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

14. Tangible Fixed Assets	Long Leasehold Land & Buildings	Motor Vehicles	Furniture Fittings & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£
As at 16 July 2015	-	-	-	-	-
Assets on Conversion	1,369,950	7,995	25,000	15,000	1,417,945
Additions	-	-	-	8,018	8,018
Disposals	-	-	-	-	-
As at 31 August 2016	1,369,950	7,995	25,000	23,018	1,425,963
Depreciation					
As at 16 July 2015	-	-	-	-	-
Charge in year	63,439	2,165	5,417	8,312	79,333
Disposals	-	-	-	-	-
As at 31 August 2016	63,439	2,165	5,417	8,312	79,333
Net book values					
As at 31 August 2016	1,306,511	5,830	19,583	14,706	1,346,630
As at 16 July 2015	-	-	-	-	-

Valuation Details

The leasehold land and buildings were valued at £1,369,950 as at 01 August 2015 by Thornburn & Co Ltd RICS Registered Valuers, who is independent of the charitable company. The basis of valuation for the assets was Fair Value using a Depreciated Replacement Cost approach in accordance with FRS102.

Boiler and heating systems repairs and replacements projects

During the year the academy incurred significant expenditure on the upgrading of heating boilers and the replacement of fan heaters within the school which were funded by EFA Condition Improvement Fund grants. The full cost of these projects have been treated as resources expended in the Statement of Financial Activities and are included in maintenance of premises costs.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

15. Stock	2016	PY - N/A
	£	£
Stationery	3,793	-
Cleaning	500	-
	<u>4,293</u>	<u>-</u>
16. Debtors	2016	PY - N/A
	£	£
Trade debtors	6,591	-
VAT recoverable	12,586	-
Prepayments	29,865	-
Accrued income	70,719	-
Other debtors	24,483	-
	<u>144,244</u>	<u>-</u>
17. Creditors: Amounts Falling due Within One Year	2016	PY - N/A
	£	£
Trade creditors	3,030	-
Taxation and social security	20,636	-
Sundry creditors	20,591	-
EFA creditor	-	-
Accruals	36,677	-
Deferred income	48,813	-
	<u>129,747</u>	<u>-</u>
Deferred Income	2016	PY - N/A
	£	£
Accruals and deferred income includes:		
Deferred income at 1 August 2015	-	-
Resources deferred in the year	48,813	-
Amounts released from previous years	-	-
Deferred income at 31 August 2016	<u>48,813</u>	<u>-</u>
Deferred income comprises:		
LA funded statements for 1 September 2016 to 31 March 2017	10,888	
EFA Rates Funding for 1 September 2016 to 31 March 2017	3,001	
EFA Universal Infants Free School Meals allocation for 2016/17	34,924	
School fund income for future trips	-	
	<u>48,813</u>	

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

18. Funds	Balance at 01-Aug 2015 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2016 £
Restricted General Funds					
General Annual Grant (GAG)	-	1,434,102	(1,376,227)	18,379	76,254
Pupil Premium	-	31,495	(31,495)	-	-
Conversion grant	-	25,000	(25,000)	-	-
Other DfE/EFA grants	-	15,134	(15,134)	-	-
LA funded statements	-	13,512	(13,512)	-	-
Other government grants	-	2,316	(2,316)	-	-
Nursey income	-	45,336	(45,336)	-	-
School trips fund	-	41,633	(40,061)	(1,572)	-
Other educational income	-	29,044	(29,044)	-	-
Other restricted general funds	-	-	-	-	-
	-	<u>1,637,572</u>	<u>(1,578,125)</u>	<u>16,807</u>	<u>76,254</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	-	1,417,945	(79,333)	8,018	1,346,630
DfE/EFA formula capital	-	8,205	(187)	(8,018)	-
EFA condition improvement fund 1	-	141,083	(142,492)	2,000	591
EFA condition improvement fund 2	-	64,729	-	2,000	66,729
	-	<u>1,631,962</u>	<u>(222,012)</u>	<u>4,000</u>	<u>1,413,950</u>
Restricted Pension Reserve Funds					
Pension reserve fund	-	(450,000)	(26,000)	(356,000)	(832,000)
Total Restricted Funds	-	<u>2,819,534</u>	<u>(1,826,137)</u>	<u>(335,193)</u>	<u>658,204</u>
Unrestricted Funds					
Unrestricted general funds	-	1,069	-	158,177	159,246
Unrestricted conversion funds	-	158,177	-	(158,177)	-
Unrestricted conversion surplus fund	-	58,478	-	(31,271)	27,207
Designated catering fund	-	89,386	(125,028)	35,642	-
Designated wraparound fund	-	54,240	(37,793)	(5,424)	11,023
Designated school fund	-	28,791	(9,037)	(19,754)	-
Total Unrestricted Funds	-	<u>390,141</u>	<u>(171,858)</u>	<u>(20,807)</u>	<u>197,476</u>
Total Funds	-	<u>3,209,675</u>	<u>(1,997,995)</u>	<u>(356,000)</u>	<u>855,680</u>

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

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (EFA).

Pupil premium fund

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Defined benefit pension scheme fund

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

Local authority funded statements

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

Nursery income fund

This represents funding from the Local Authority to pay for a 30 place nursery for 3hrs every day.

Restricted school funds (including trips)

This relates to school trips and other activities.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

DfE/EFA formula capital fund

This represents funding from the EFA to be used for capital projects.

EFA condition improvement funds

This represents funding from the EFA to be used for specific capital projects.

Designated catering

This fund relates to the provision of school meals and refreshments that are charged to pupils. The academy also receives Universal Income Free School Meals (UIFSM) income which goes to this designated fund.

Designated wraparound fund

This fund relates to the provision of wraparound clubs that are charged to pupils.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

At the year end the academy does not make any deficit payments but does pay a higher than average employers contribution percentage instead.

Analysis of academies by fund balance

Fund balance at 31 August 2016 were allocated as follows:

Fairfield Primary School	273,730
Central Services	-
Total before fixed assets and pension reserve	<u>273,730</u>
Restricted fixed asset fund	1,413,950
Pension reserve fund	(832,000)
Total	<u>855,680</u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding dep'n) £	2016 £	PY - N/A £
Fairfield Primary School	1,188,490	193,006	24,782	512,384	1,918,662	-
Central Services	-	-	-	-	-	-
Academy Trust	<u>1,188,490</u>	<u>193,006</u>	<u>24,782</u>	<u>512,384</u>	<u>1,918,662</u>	<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,346,630	1,346,630
Current assets	197,476	206,001	67,320	470,797
Current liabilities	-	(129,747)	-	(129,747)
Non-current liabilities				
Pension scheme liability	-	(832,000)	-	(832,000)
Total Net Assets	197,476	(755,746)	1,413,950	855,680

20. Financial Commitments

Operating Leases

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

	2016 £	PY - N/A £
Assets other than land & buildings		
Amounts due within one year	1,633	-
Amounts due between one and five years	963	-
Amounts due after five years	-	-
	<u>2,596</u>	<u>-</u>

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Cumbria County Council. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

21. Capital Commitments

	2016 £	PY - N/A £
Contracted for, but not provided in the financial statements	67,320	-
	<u>67,320</u>	<u>-</u>

The Academy entered into contracts relating to the following project:

Renewal of Heating Plant and Heaters Work

During the year the academy entered into a contract for the replacement of heating plant and heaters work. The academy was committed to a further cost of £67,320 at the year end. The capital element and repairs element is £nil and £67,320 respectively.

22. 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 as stated in memorandum and articles of association for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)**23. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2016	PY - N/A
	£	£
Teachers' Pension Scheme	12,752	-
Local Government Pension Scheme	7,735	-
	<u>20,487</u>	<u>-</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2016	PY - N/A
	£	£
Teachers' Pension Scheme	108,479	-
Local Government Pension Scheme	85,744	-
Local Government Pension Scheme deficit recovery	-	-
LGPS current service cost/contributions adjustment	9,000	-
	<u>203,223</u>	<u>-</u>

Teachers' Pension Scheme**Introduction**

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

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

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

23. Pensions and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £108,479 (2015: N/A).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The contributions made for the year ended 31 August were as follows:

	2016	PY - N/A
	£	£
Employer's contributions	85,744	-
Employees' contributions	23,746	-
Total contributions	<u>109,490</u>	<u>-</u>

The agreed contribution rates for future years are 14.2% for employers and 5.5% - 12.5% for employees.

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

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2017 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 16 years from 1 April 2017.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2016	At 31 August PY - N/A
Rate of increase in salaries	3.40%	3.70%
Rate of increase for pensions in payment / inflation	2.00%	2.20%
Discount rate for scheme liabilities	2.20%	3.80%
Inflation assumption (CPI)	1.90%	2.20%

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

	At 31 August 2016	At 31 August PY - N/A
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.7	25.6
<i>Retiring in 20 years</i>		
Males	25.9	25.8
Females	28.9	28.8

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August PY - N/A £
Equity instruments		
Equities	245,000	-
Debt instruments		
Government bonds	95,000	-
Other bonds	36,000	-
Property	51,000	-
Cash/liquidity	15,000	-
Other	45,000	-
Total Market Value of Assets	487,000	-
Present value of scheme liabilities		
Funded	(1,319,000)	-
Unfunded	-	-
Surplus / (deficit) in the scheme	(832,000)	-

The actual return on the scheme assets in the year was £58,000 (2015: N/A).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

Amounts recognised in the statement of financial activities

	2016 £	PY - N/A £
Current service cost (net of employee contributions)	(95,000)	-
Net interest cost	(15,000)	-
Administration expenses	(2,000)	-
Benefit changes	-	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
Total operating charge	(112,000)	-

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Other recognised gains and (losses)	2016 £	PY - N/A £
Remeasurements (liabilities)	(397,000)	-
Remeasurements (assets)	41,000	-
Total charge	(356,000)	-
Changes in the deficit in the year:	2016 £	PY - N/A £
Deficit in scheme at beginning of period	-	-
Business combinations	450,000	-
Current service cost	95,000	-
Interest cost	31,000	-
Employer contributions	(86,000)	-
Actuarial (gain)/loss - Remeasurements	356,000	-
Administration expenses	2,000	-
Interest income	(16,000)	-
Plan introductions, benefit changes, curtailments and settlements	-	-
Deficit at 31 August 2016	832,000	-
Changes in the present value of defined benefit obligations were as follows:	2016 £	PY - N/A £
At beginning of period	-	-
Business combinations	(772,000)	-
Current service cost	(95,000)	-
Interest cost	(31,000)	-
Employee contributions	(24,000)	-
Actuarial gain/(loss) - Remeasurements	(397,000)	-
Benefits / transfers paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
Benefit obligation at 31 August 2016	(1,319,000)	-
Changes in the fair value of Academy's share of scheme assets:	2016 £	PY - N/A £
At beginning of period	-	-
Business combinations	322,000	-
Interest income	16,000	-
Administration expenses	(2,000)	-
Actuarial gain/(loss) - Remeasurements	41,000	-
Employer contributions	86,000	-
Employee contributions	24,000	-
Benefits / transfers paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
Scheme assets at 31 August 2016	487,000	-

Note from actuarial report: The value of the assets is being reassessed formally as part of the 2016 actuarial valuation, the results of which will be incorporated into the 31 August 2017 accounting figures. The effect could be a significant change in the reported asset value in next years figures.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

24. Related Party Transactions

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

The following related party transactions took place in the period of account:

The academy trust employed family members of the principal and other governors.

- The trust undertook proper recruitment procedures where necessary.
- The salaries paid were appropriate to the individual's skills and experience and the salary rates paid in accordance with the academy's pay scales.
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015

Related party transactions with staff governors are detailed in an earlier note.

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

25. Conversion to an Academy Trust

On 1 August 2015 Fairfield Primary School Academy joined the multi academy trust and all the operations and assets and liabilities were transferred to the Learning for Life Trust from Cumbria County Council for £nil consideration.

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

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

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Tangible fixed assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	1,369,950	1,369,950
Other tangible fixed assets	-	-	47,995	47,995
Budget surplus / (deficit) on LA funds	58,478	-	-	58,478
School fund on conversion	106,551	-	-	106,551
School trips on conversion	51,626	-	-	51,626
LGPS pension surplus / (deficit)	-	(450,000)	-	(450,000)
Borrowing obligations	-	-	-	-
	<u>216,655</u>	<u>(450,000)</u>	<u>1,417,945</u>	<u>1,184,600</u>

The above net assets/liabilities include £216,655 that were transferred as cash.

On 01 August 2015, the leasehold land and buildings were transferred on a 125 year lease at a pepper corn rent from Cumbria County Council to the multi academy trust.