

Company Registration No. 07903002 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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30/01/2019  
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# **THE ACTIVE LEARNING TRUST LIMITED**

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# **THE ACTIVE LEARNING TRUST LIMITED**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Trustees**

Mr Gary Peile  
Mr Clive Bush  
Mr David Bateson OBE  
Mr Mark Kerr  
Mr Jeremy Beswick  
Mrs Jacqueline Cutchey  
The Hon R G Hely Hutchinson  
Dr A Boddison (Appointed 12 October 2017)

### **Members**

Ms Lesley Adams  
Ms Marion Lloyd  
Mr Robert Dool  
Mrs Helen Capron  
Mr Simon Staite

### **Senior management team**

- Chief Executive	Mr Gary Peile
- Chief Adviser	Mr Clive Bush (retired 30 June 2018)
- Director of Human Resources	Mrs Janice Steel
- Director of School Improvement & Development	Mr David Hilton
- Director of Finance & Operations	Mr Clive Paskell
- Director of Professional Development	Ms Marilyn Toft

### **Company secretary**

Mrs Karen Jarvis

### **Company registration number**

07903002 (England and Wales)

### **Registered office**

c/o Isle of Ely Primary School  
School Road  
Ely  
Cambridgeshire  
CB6 2FG

# THE ACTIVE LEARNING TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Academies operated</b>	<b>Location</b>	<b>Principal</b>
The Neale-Wade Academy	March	Mr J Wing (Executive Headteacher * )
Burrowmoor Primary School	March	Mr J Wing *
Westwood Primary School	Lowestoft	Mrs R Aldous
Gusford Primary School	Ipswich	Mrs C Claydon
Chesterton Primary School	Cambridgeshire	Ms B Surtees (Executive Headteacher)
Red Oak Primary School	Lowestoft	Mrs H Madsen
Grove Primary School	Lowestoft	Mrs R Aldous
Sidegate Primary School	Ipswich	Ms W James
Hillside Primary School	Ipswich	Mr L Abbott
Kingsfield Primary School	Chatteris	Mrs S Pritchard (Executive Head)
Pakefield Primary School	Lowestoft	Mr M Payne
Reydon Primary School	Southwold	Mrs J Viner
Isle of Ely Primary School	Cambridgeshire	Ms B Surtees (Executive Headteacher)
Chantry Academy	Ipswich	Mr C D'Cunha
Highfield Ely Academy	Cambridgeshire	Mr S Bainbridge (Executive Head)
Albert Pye Primary School	Beccles	Mrs M Mills
Ravensmere Infant School	Beccles	Mrs M Mills
Littleport & East Cambridgeshire Academy	Cambridgeshire	Mr J Wing (Executive Headteacher*)
Highfield Littleport Academy	Cambridgeshire	Mr S Bainbridge (Executive Headteacher)
Cromwell Community College	Cambridgeshire	Mrs J Horn (Executive Headteacher)
Earith Primary School	Cambridgeshire	Mrs S Pritchard (Executive Headteacher)
Central Services	Cambridgeshire	Mr Clive Paskell
<b>Independent auditor</b>	SBM Associates Limited, trading as SBM & Co 24 Wandsworth Road London SW8 2JW	
<b>Bankers</b>	Barclays Bank plc 9-11 St Andrew's Street Cambridge Cambridgeshire CB2 3AA	
<b>Solicitors</b>	Mullis & Peake 8 - 10 Eastern Road Romford Essex RM1 3PJ	

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# **THE ACTIVE LEARNING TRUST LIMITED**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

### **Structure, governance and management**

#### Constitution

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

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

#### **Principal activities**

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

#### Members' liability

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

#### Trustees' indemnities

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

#### Method of recruitment and appointment or election of trustees

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

# **THE ACTIVE LEARNING TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Policies and procedures adopted for the induction and training of trustees

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

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

### Organisational structure

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

- Personnel & Remuneration
- Finance and Audit (Audit Committee was previously a separate Committee but was back with Finance following changes to the guidance in the Academies Finance Handbook 1 September 2015 - the Audit Committee will revert to standalone status from September 2018 as the annual Turnover of the Trust now exceeds £50m pa)

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

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

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

# **THE ACTIVE LEARNING TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Arrangements for setting pay and remuneration of key management personnel**

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

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

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

### **Objectives and activities**

#### **Objects and aims**

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

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

# **THE ACTIVE LEARNING TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Objectives, strategies and activities

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

Specifically we will:

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



# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Trust's approved business plan sets out the aspiration to grow with between 8 and 9 schools based in regional hubs and this growth is now being realised with 21 schools already in the Trust, 1 more joining in the next two years. Current list of schools including those who will become part of the Trust immediately after this reporting period:

The Neale-Wade Academy, March, Cambridgeshire - 1 April 2013  
Burrowmoor Primary School, March, Cambridgeshire - 1 July 2013  
Gusford Primary School, Ipswich, Suffolk - 1 August 2013  
Westwood Primary School, Lowestoft, Suffolk - 1 August 2013  
Chesterton Primary School, Cambridge, Cambridgeshire - 1 September 2013  
Red Oak Primary School (formerly known as re-named as Fen Park Primary School), Lowestoft - 1 March 2014  
Grove Primary School, Lowestoft, Suffolk - 1 May 2014  
Sidegate Primary School, Ipswich, Suffolk - 1 May 2014  
Hillside Primary School, Ipswich, Suffolk - 1 July 2014  
Kingsfield Primary School, Chatteris, Cambridgeshire - 1 July 2014  
Isle of Ely Primary School, Ely, Cambridgeshire - 1 September 2015  
Pakefield Primary School, Lowestoft, Suffolk - 1 January 2015  
Reydon Primary School, Lowestoft, Suffolk - 1 March 2015  
Chantry Academy, Ipswich, Suffolk - 1 September 2015  
Highfield Ely Academy, Ely, Cambridgeshire - 1 September 2016  
Albert Pye Primary School, Beccles, Suffolk - 1 October 2016  
Ravensmere Infant School, Beccles, Suffolk - 1 October 2016  
Cromwell Community College, Chatteris, Cambridgeshire - 1 September 2017  
Highfield Littleport Academy, Cambridgeshire - 1 September 2017  
Littleport & East Cambridgeshire Academy - 1 September 2017  
Earth Primary School, Cambridgeshire - 1 January 2018

#### Public benefit

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Strategic report

#### Achievements and performance

##### Key performance indicators

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

In terms of the trust itself our key performance indicators relate to the number of schools we support as academies. As at 31st August 2017 this was against an overall target of up to 9 schools in each of our regional hubs. Alongside this is the need for our constant review of the budget position as the Trust grows.

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

Within one year of transfer all ALT schools will have:

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

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

Within three years the Key Stage (KS) 1 and 2 outcomes in English and Maths will rise in our sponsored academies by a minimum of 10% and continue accelerated progress until they reach and exceed national expectations. This will be achieved through a strong and consistent focus on the core subjects and verified through internal and external lesson judgements against Ofsted criteria.

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

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

	2018	2018	2019
	Target	Actual	Target
Teaching staff costs as a % of total outgoing resources	60%	61%	60%
Total staff costs as a % of total outgoing resources	80%	76%	80%
	£'000	£'000	£'000
Total incoming resources from charitable activities	101,518	94,360	55,000
Net current assets	6,850	7,660	7,000

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Key performance indicators

The Hub Model has been operating for 4 years and as the Trust has grown, it has significantly developed the strength of each Hub. The Lowestoft Hub is now called the North Suffolk Hub to include the wider reach of the Trust in the area. The Cambridgeshire Hub now includes two Special Schools and a new secondary school in Littleport.

### **NORTH SUFFOLK HUB**

Westwood Primary School, Lowestoft  
Red Oak Primary School, Lowestoft  
Grove Primary School, Lowestoft  
Pakefield Primary School, Lowestoft  
Reydon Primary School, Reydon  
Albert Pye Primary School, Beccles  
Ravensmere Infants School, Beccles

### **Summary**

The Hub is the most established within the Trust and excels in sports, subject network groups and cross hub collaboration. This is due to the established relationships that have been further developed and enriched by the Hub leader who has created a learning community with all schools contributing to the development of the life chances and outcomes of all pupils in the community of schools.

There have been two successful OfSTED reports for Red Oak and Westwood that identify the work of the Trust and Hub. Grove Primary School had its first HMI visit and a positive letter was received. Reydon Primary School has had a successful OfSTED report in the last year (Good). Albert Pye and Ravensmere have had external reviews that confirm the school's evaluation of where they are (Good). Pakefield is vastly improved in terms of outcomes and progress following its OfSTED that rated it as RI.

### **Key Priorities**

- Agreed moderation of judgements with further work on developing 'moderators' for all key stages
- Continued development of Hub based support programmes – including Subject Leadership, Newly Qualified Teacher (NQT)+1 and coaching
- Developing 'Greater' depth in all subjects
- Support for Grove Primary School – including the additional resources for Leadership and Management, curriculum, assessment and Early Years Foundation Stage (EYFS)
- Support for Reydon – intervention and curriculum/assessment
- Curriculum development and sharing of good practice from 'Good' and 'Outstanding' schools and areas.
- Assessment and data literacy at all levels

### **Results for 2018 (End of KS 2 Progress and Attainment)**

Excellent progress made by Westwood, Pakefield and Red Oak with Albert Pye moving out of the coasting category that they had previously been present. Key focus for work is Boys and Writing in all schools.

# **THE ACTIVE LEARNING TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **CAMBRIDGESHIRE HUB**

Burrowmoor Primary School, March  
Chesterton Primary School, Chesterton, Cambridge  
Isle of Ely Primary School, Ely  
Kingsfield Primary School, Chatteris  
Neale-Wade Academy (NWA), March  
Highfield School Ely, Special School  
Highfield Littleport  
Littleport and East Cambs Academy  
Cromwell Community College (CCC)  
Earith Primary School

#### **Summary**

The Hub has been significantly stabilised over the year with some very good collaboration between Isle of Ely, Burrowmoor and Kingsfield (moderation, support for EYFS and curriculum and coaching). Jason Wing Executive Headteacher for Neale Wade, Burrowmoor and Littleport and East Cambs Academy, has been awarded NLE status and Kingsfield has a new Headteacher and shared leadership with Cromwell Community College. The leader of Kingsfield also leads Earith a new primary school to the Trust with 85 pupils. Chesterton has developed a strong start to KS2 and they now move into their fifth year as a new school and is due its second OfSTED in 2018..

Burrowmoor has a new Headteacher and this role is being supported by the existing the Executive leadership of Jason Wing, who also leads Littleport and east Cambs Academy (LECA). Highfield Ely has had a successful OfSTED and is now rated Good, it is led by Simon Bainbridge who also provides Executive leadership to the Highfield Littleport special school built on the same campus as LECA.

Results at Neale Wade have been strong in some subjects and the new challenges of revisions to KS4 have been handled well as the 4 Trust Secondary schools collaborate and support each other. Results at Cromwell continue to improve and the school is working collaboratively with Kingsfield to create curriculum across key stages and also support for core subjects. Highfield Ely has successfully launched a new 19-25 provision based at Highfield Littleport for 2018 and 2019, pending build works at Highfield Ely, which is the first of its kind within the county.

#### **Key Priorities**

- Agreed moderation of judgements with further work on developing 'moderators' for all key stages
- Continued development of Hub based support programmes – including Subject Leadership, NQT+1 (Newly Qualified Teacher) and coaching
- Developing 'Greater' depth in all subjects
- Continued development and evaluation of the 19-25 at Highfield Littleport
- Secondary Support for schools – Hub and Trust wide
- Support for KS4 – Maths and English at Neale Wade
- Support and challenge for all schools with new AIG process in all schools
- New leadership support for Kingsfield and Chatteris / Earith model
- Support for Burrowmoor new leadership
- Curriculum development and sharing of good practice from 'Good' and 'Outstanding' schools in key areas.
- Assessment and data literacy at all levels

#### **Results for 2018 (End of KS 2 Progress and Attainment)**

Concerns around Maths at Burrowmoor and attainment in writing at Kingsfield. KS1 and EYFS results at Chesterton and Isle of Ely broadly in line with National. Neale Wade and Cromwell (Sept 2018) have key areas to improve that will be supported by the new Secondary Lead. Burrowmoor is still a Challenge one school to ensure the Mathematics is targeted and to add capacity to the new leadership team. Kingsfield is also a challenge one school with extra support for new staff in place.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### IPSWICH HUB

Chantry Academy  
Gusford Primary  
Hillside Primary  
Sidegate Primary

#### Summary

The hub has been very well led by a strong Hub Leader who has worked with in the Suffolk LA for several years. OfSTED have visited all schools in the Hub with judgements in line with the Trust expectations. Gusford's RI over all with Good for EYFS and PDBW has led to a HMI visit that was successful with positive comments around the new leadership and Trust support and challenge, results have improved significantly in 2018.

There is some very good collaboration between good practice areas and schools needing support e.g. Maths mastery and curriculum development, with colleagues from Sidegate working in both Hillside and Gusford. The Transition Project continues and has continued to engage and link with schools outside of the Trust – enabling the transition and transfer to Chantry to evolve and create a successful relationship with the primary schools.

#### Key Priorities

- Agreed moderation of judgements with further work on developing 'greater depth' for all key stages
- Continued development of Hub based support programmes – including Subject Leadership, NQT+1, Arts, Sports activity and curriculum development (Maths)
- Developing 'Greater' depth in all subjects and with KS3 colleagues – also cross Trust
- Support for KS4 – Science alongside Neale Wade Academy and Cromwell Community College
- Gusford support plan development alongside Post OfSTED Action Plan and Aspire programme
- Recruitment of Deputy Headteacher and Assistant Headteacher at Gusford
- New leadership support for Gusford – mentor and support identified
- Development of the new Central Ipswich Primary school
- Curriculum development & sharing of good practice from 'Good' and 'Outstanding' schools in key areas
- Assessment and data literacy at all levels – aligned to priorities post results.

#### Results for 2018 (End of KS 2 Progress and Attainment)

Good progress and attainment at Sidegate and Gusford with pupils achieving well. Although Hillside's attainment is low the progress of pupils is improved this year. Considerable work will be focused in both Hillside and Gusford to continue secure progress and attainment improvements. Gusford is now a Challenge Two school following 2018 results.

Chantry has had a positive year with continued improvement in some areas – this work is now being supported by new Secondary Leads who add challenge and support to all areas of their work. A focus on Curriculum alongside teaching and learning is key for 2018.

#### Conclusion

There has been clear progress in most Trust schools both in terms of OfSTED outcomes and results both in terms of attainment and progress, the Trust has improved at Key Stage 2 in line with National and there have been some excellent improvement in attainment and progress at all key stages. The Hub model has now evolved with the creation of the School to School lead – developing and sharing good practice from the North Suffolk Hub and also building on key areas to provide a consistent model across all areas. Hub activities have also evolved into cross Trust activity – e.g. Sports, Arts, NQT programme and CPD – LAL and LALA alongside Lead Practitioners and the links with Ambition School Leadership. All hubs also have additional capacity through the Secondary and Primary leads who are supported by Teaching and Learning consultant support who work directly in classrooms to coach and develop in class practice. Evidence from OfSTED and internal reviews has clearly identified the impact of this work. The Trust looks forward with confidence to the improvement of its schools, the development of work with new schools and ensuring the strengths in every school are developed to their maximum.

NQT – Newly Qualified Teacher      EYFS – Early Years Foundation Stage  
RI – Requires Improvement      LAL – Leading Active Learning (Advanced)  
NLE – National Leader in Education      PDBW – Personal Development, Behaviour and Welfare

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Going concern

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

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

### **Financial review**

#### **Principal funding sources**

The great majority of the Trust's income is derived from recurrent grants from the ESFA (Education and Skills Funding Agency) to each of the individual Academies within the Trust. The use of these funds is restricted to the particular purpose of the grant. The grants received from the ESFA in the period 1st September 2017 to 31st August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Donations on the transfer of assets and liabilities from local authorities on conversion and transfer from another academy trust included in the Statement of Financial Activities amounted to £43,510,000 (2017: £6,731,000), in accordance with ESFA requirements. Fixed Assets transferred at conversion are included in the Restricted Fixed Asset Fund. Within this total amount, deficits introduced on transfer in respect of the Local Government Pension Scheme (LGPS) amounted to £3,430,000 (2017: £2,019,000).

The total deficit carried forward on the restricted fund pension reserve at 31 August 2018 in respect of new schools is shown as "Transfers of FRS17 deficits from Local Authorities" and amounted to £3,292,000 (2017: £14,187,000).

During the year ended 31st August 2018 the Trust received total income, including capital income, of £94,360,000 (2017: £48,780,000) of which £2,552,000 (2017: £1,660,000) was unrestricted income.

Total expenditure for the year ended 31st August 2018 amounted to £50,404,000 (2017: £42,517,000), of which staff costs of £38,216,000 (2017: £32,548,000) represented 75.8% (2017: 76.6%) of total expenditure

Total funds carried forward as at 31 August 2018 amounted to £160,093,000 (2017: £118,064,000).

### Reserves policy

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

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

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

The amount of unrestricted reserves held currently equates to 7.4% of total income (excluding the transfer from local authorities on conversion), which currently exceeds the overall parameters set by the Trust for levels of reserves and is considered prudent in view of the forthcoming reduction in future income streams.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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Amount of total funds held as at 31 August 2018: £160,093,000 (2017: £118,064,000)

Restricted funds not available for general purposes of the academy trust at 31 August 2018: £153,114,000 (2017: £113,397,000)

Balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018: £126,813,000 (2017: £5,508,000).

Balance on unrestricted funds at 31 August 2018: £6,979,000 (2017: £4,667,000)

The Trust also maintains one further fund, the Local Government Pension Fund (LGPS). This represents the charitable company's share of the surplus or deficit of the Cambridgeshire County Council and Suffolk County Council pension funds, calculated in accordance with FRS17. Further details of the calculations and assumptions underlying the balance on this fund are set out in the financial statements. A deficit on the LGPS funds in relation to Cromwell Community College and Earith Primary School amounting to £3,292,000 was introduced at 1 September 2017 and 1 January 2018 when the schools became part of the trust. In total, the Trust's deficit carried forward on the LGPS fund increased from £14,187,000 at 31 August 2017 to £16,110,000 at 31 August 2018. However based on a comparison excluding schools joining the Trust in year the deficit fell by 4% year on year.

#### Investment policy and powers

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

#### Principal risks and uncertainties

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

As stated above, the Trust has a Finance and Audit committee which regularly reviews the Trust's risk register.

The work of the Committee is then reported to the Board. The senior leadership team of the Trust (the Chief Executive and the senior officers of the Trust) are responsible for the regular review of the risk register for the Trust and for ensuring that contingency arrangements are put in place to reduce those risks.

#### Financial and risk management objectives and policies

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

### **Plans for future periods**

The Department for Education has confirmed that the Active Learning Trust is an approved sponsor for schools in Cambridgeshire and Suffolk. At the time of writing, the Trust has been accepted as sponsor for a Free School due to open in Central Ipswich and will be entering bids for new schools under Wave 13 of the Free Schools process. The Trust is regularly speaking with other schools wishing to consider joining the Trust.

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

### **Auditor**

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2018 and signed on its behalf by:

Ms Lesley Adams





# **THE ACTIVE LEARNING TRUST LIMITED**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

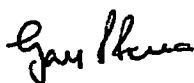
***FOR THE YEAR ENDED 31 AUGUST 2018***

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As accounting officer of The Active Learning Trust Limited I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 ESFA.



**Mr Gary Peile**  
**Accounting Officer**

20 December 2018

# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of The Active Learning Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 20 December 2018 and signed on its behalf by:



Ms Lesley Adams

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

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

### Governance

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

Trustees	Meetings attended	Out of possible
Mr Gary Peile	5	5
Mr Clive Bush	3	5
Mr David Bateson OBE	2	5
Mr Mark Kerr	3	5
Mr Jeremy Beswick	4	5
Mrs Jacqueline Cutchey	4	5
The Hon R G Hely Hutchinson	4	5
Dr A Boddison (Appointed 12 October 2017)	3	5

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Gary Peile	1	1
Mr David Bateson OBE	0	1
Mrs Jacqueline Cutchey	1	1

Mr Gary Peile attends sub-committee meetings as an officer of the Trust and as a Trustee.

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Finance and Audit committee is a sub-committee of the main board of trustees. Its purpose is to undertake detailed scrutiny of the Trust's finances and to ensure the Trust's assets are properly secured and maintained. The Committee has been involved in the discussion around processes and procedures, recognising that it has been important for the whole Trust board to be involved in finance decision making to ensure all Trustees have clarity in how the Trust is set up to meet its responsibilities as set out in the Trust's funding statement. The Committee provides the lead on approval of budgets for new schools, which will be the case for the new schools.

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Gary Peile	2	3
Mr Mark Kerr	1	3
Mr Jeremy Beswick	2	3
The Hon R G Hely Hutchinson	3	3

Mr Gary Peile attends sub-committee meetings as an officer of the Trust and as a Trustee.

### Review of value for money

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

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

- The appointment of a Trust Procurement Manager to focus on the delivery of value for money procurement with the creation/review of a Trust Procurement Strategy that is shared with all key stakeholders and delivers a shared understanding of the opportunities and priority areas
- The central management of School's Capital Allocation spending programme across the Trust that delivers best value by minimising the overall costs of consultancy and directs funding at the most pressing projects.
- Specifically the tendering of catering provision across 20 of the 21 schools has reduced the overall costs (subsidy by the school) of meals provision which, in turn, drives more money into front line services. Re-tender of energy supply across all schools has seen a change in the methodology of procurement whilst retaining a fixed price for schools to budget to. A Trust wide Facilities Management Contract was introduced last year which led to savings for most schools. Work continues on ICT procurement to drive best value in terms of specification and cost of supply and the costs of ICT support.
- Ensured salary levels for the small central team are at or below the median for staff working in similar sized organisations, following an external review of our salary levels which showed in all areas salary levels are below the levels of similar sized organisations.
- Continuing to balance the need for central support with external provision so that our costs are, and remain, low compared to other multi academy trusts.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Active Learning Trust Limited for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

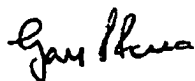
### **Review of effectiveness**

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

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

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

Approved by order of the board of trustees on 20 December 2018 and signed on its behalf by:



Mr Gary Peile



Ms Lesley Adams

# **THE ACTIVE LEARNING TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACTIVE LEARNING TRUST LIMITED**

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### **Opinion**

We have audited the financial statements of The Active Learning Trust Limited for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# THE ACTIVE LEARNING TRUST LIMITED

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

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### Responsibilities of trustees

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

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

  
Stephen McAlpine BA (Econ) FCA (Senior Statutory Auditor)  
for and on behalf of SBM Associates Limited, trading as SBM & Co

21 DEC 2018

Chartered Accountants  
Statutory Auditor

24 Wandsworth Road  
London  
SW8 2JW



# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	152	-	1,304	1,456	2,454
Donations - transfer from local authority on conversion	28	531	(3,430)	43,560	40,661	6,731
Charitable activities:						
- Funding for educational operations	5	152	46,288	-	46,440	38,102
Other trading activities	4	2,239	-	-	2,239	1,481
Investments	6	9	-	-	9	12
<b>Total</b>		<b>3,083</b>	<b>42,858</b>	<b>44,864</b>	<b>90,805</b>	<b>48,780</b>
<b>Expenditure on:</b>						
Raising funds	7	17	-	-	17	16
Charitable activities:						
- Educational operations	8	221	50,529	2,144	52,894	42,501
<b>Total</b>	<b>7</b>	<b>238</b>	<b>50,529</b>	<b>2,144</b>	<b>52,911</b>	<b>42,517</b>
<b>Net income/(expenditure)</b>		<b>2,845</b>	<b>(7,671)</b>	<b>42,720</b>	<b>37,894</b>	<b>6,263</b>
Transfers between funds	19	(531)	-	531	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	23	-	4,014	-	4,014	3,980
<b>Net movement in funds</b>		<b>2,314</b>	<b>(3,657)</b>	<b>43,251</b>	<b>41,908</b>	<b>10,243</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		4,665	(13,418)	126,813	118,060	107,821
Total funds carried forward		6,979	(17,075)	170,064	159,968	118,064

# THE ACTIVE LEARNING TRUST LIMITED

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	65	91	2,298	2,454
Donations - transfer from local authority on conversion	28	-	(1,913)	8,644	6,731
<b>Charitable activities:</b>					
- Funding for educational operations	5	102	38,000	-	38,102
Other trading activities	4	1,481	-	-	1,481
Investments	6	12	-	-	12
<b>Total</b>		<b>1,660</b>	<b>36,178</b>	<b>10,942</b>	<b>48,780</b>
<b>Expenditure on:</b>					
Raising funds	7	16	-	-	16
<b>Charitable activities:</b>					
- Educational operations	8	152	40,824	1,525	42,501
<b>Total</b>	<b>7</b>	<b>168</b>	<b>40,824</b>	<b>1,525</b>	<b>42,517</b>
<b>Net income/(expenditure)</b>		<b>1,492</b>	<b>(4,646)</b>	<b>9,417</b>	<b>6,263</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	23	-	3,980	-	3,980
<b>Net movement in funds</b>		<b>1,492</b>	<b>(666)</b>	<b>9,417</b>	<b>10,243</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		3,175	(12,680)	117,326	107,821
Total funds carried forward		4,667	(13,346)	126,743	118,064

# **THE ACTIVE LEARNING TRUST LIMITED**

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

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In accordance with the terms of our engagement letter dated 26 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Active Learning Trust Limited during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Active Learning Trust Limited's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

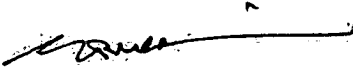
## **THE ACTIVE LEARNING TRUST LIMITED**

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

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

**21 DEC 2018**

Dated: .....

# THE ACTIVE LEARNING TRUST LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		168,771		125,724
<b>Current assets</b>					
Stocks	14	7		14	
Debtors	15	1,134		1,710	
Cash at bank and in hand	20	8,904		7,902	
		10,045		9,626	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(2,389)		(2,864)	
<b>Net current assets</b>			7,656		6,762
<b>Total assets less current liabilities</b>			176,427		132,486
Creditors: amounts falling due after more than one year	18		(350)		(236)
<b>Net assets excluding pension liability</b>			176,077		132,250
Defined benefit pension liability	23		(16,109)		(14,186)
<b>Net assets</b>			159,968		118,064
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	19				
- Fixed asset funds			170,064		126,743
- Restricted income funds			(965)		841
- Pension reserve			(16,110)		(14,187)
<b>Total restricted funds</b>			152,989		113,397
<b>Unrestricted income funds</b>	19		6,979		4,667
<b>Total funds</b>			159,968		118,064

The accounts on pages 23 to 56 were approved by the trustees and authorised for issue on 20 December 2018 and are signed on their behalf by:



Ms Lesley Adams

Company Number 07903002

# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	435	454
Cash funds transferred on conversion		758	454
		<u>1,193</u>	<u>908</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		9	12
Capital grants from DfE and ESFA		1,304	1,559
Capital funding from sponsors and others		46	810
Purchase of tangible fixed assets		(1,681)	(1,700)
		<u>(322)</u>	<u>681</u>
<b>Cash flows from financing activities</b>			
New other loan		-	279
Repayment of long term bank loan		161	-
Repayment of other loan		(26)	(6)
Financing costs		(4)	(1)
		<u>131</u>	<u>272</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>1,002</u>	<u>1,861</u>
Cash and cash equivalents at 1 September 2017		<u>7,902</u>	<u>6,041</u>
<b>Cash and cash equivalents at 31 August 2018</b>		<u><u>8,904</u></u>	<u><u>7,902</u></u>
<b>Relating to:</b>			
Bank and cash balances		7,854	6,462
Short term deposits		1,050	1,440
<b>Total cash and cash equivalents</b>		<u><u>8,904</u></u>	<u><u>7,902</u></u>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

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

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

#### 1.2 Going concern

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

#### 1.3 Conversion to an academy trust

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

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

The assets and liabilities transferred on conversion from Highfield School, Albert Pye Primary School and Ravensmere Infant School into the trust have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item.

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

#### 1.4 Income

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

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

(Continued)

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

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

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.

#### Donated fixed assets

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

### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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



# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### Charitable activities

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

#### 1.6 Tangible fixed assets and depreciation

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

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

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

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

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

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

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

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

#### 1.7 Liabilities

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Leasing and hire purchase commitments

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

#### 1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Stock

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

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

# **THE ACTIVE LEARNING TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **1 Accounting policies**

**(Continued)**

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.

#### **1.13 Fund accounting**

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

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability.

#### Critical areas of judgement

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

- Pension Scheme – asset valuations completed by actuaries have in the past shown significant decline, mainly as a result of yields on gilts hitting record lows, this trend reversed in 2017/18 with some recovery in the market which has led to a small reduction in the overall liability.
- Assets acquired from funds received via Schools Capital Allocation and the Devolved Formula Capital funding are capitalised within the accounts to evidence either improvements to land/buildings, purchase of new buildings or purchase of capital items eg: ICT although individually items may fall below the normal capitalisation threshold.
- The Trust approved accounting policies determine the depreciation calculations and capitalisation of assets, this determines the rate at which fixed assets are written down in the accounts. This therefore affects the fixed asset and depreciation figures reported in the accounts.
- The Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either finance or operating leases requires the trustees to consider whether the terms and conditions of each lease are such that the Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	1,304	1,304	2,369
Other donations	152	-	152	85
	<u>152</u>	<u>1,304</u>	<u>1,456</u>	<u>2,454</u>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	266	-	266	227
Catering income	551	-	551	509
Music services income	29	-	29	34
AGF separate disclosure	16	-	16	18
Other income	1,377	-	1,377	693
	<u>2,239</u>	<u>-</u>	<u>2,239</u>	<u>1,481</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	38,654	38,654	31,285
Start up grants	-	20	20	149
Other DfE / ESFA grants	-	2,863	2,863	2,525
	<u>-</u>	<u>41,537</u>	<u>41,537</u>	<u>33,959</u>
<b>Other government grants</b>				
Local authority grants	-	4,751	4,751	3,997
Special educational projects	-	-	-	44
	<u>-</u>	<u>4,751</u>	<u>4,751</u>	<u>4,041</u>
<b>Other funds</b>				
Other incoming resources from the academy trust's educational operations	152	-	152	102
	<u>152</u>	<u>-</u>	<u>152</u>	<u>102</u>
<b>Total funding</b>	<u>152</u>	<u>46,288</u>	<u>46,440</u>	<u>38,102</u>

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	9	-	9	12
	<u>9</u>	<u>-</u>	<u>9</u>	<u>12</u>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds	-	-	17	17	16
Academy's educational operations					
- Direct costs	31,904	-	3,747	35,651	26,965
- Allocated support costs	8,572	3,113	5,558	17,243	15,536
	<u>40,476</u>	<u>3,113</u>	<u>9,322</u>	<u>52,911</u>	<u>42,517</u>
<b>Total expenditure</b>	<u>40,476</u>	<u>3,113</u>	<u>9,322</u>	<u>52,911</u>	<u>42,517</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees paid to auditor for audit services	30	35
Operating lease rentals	88	67
Depreciation of tangible fixed assets	<u>2,144</u>	<u>1,525</u>

### Central services

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

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

The trust charges for these services on the following basis:

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

(Continued)

The amounts charged during the year were as follows:

Total  
£'000

The Neale-Wade Academy	249
Burrowmoor Primary School	60
Westwood Primary School	36
Gusford Primary School	95
Chesterton Primary School	27
Red Oak Primary School	83
Grove Primary School	48
Sidegate Primary School	82
Hillside Primary School	87
Kingsfield Primary School	63
Pakefield Primary School	59
Reydon Primary School	27
Isle of Ely Primary School	35
Chantry Academy	176
Highfield Ely Academy	49
Albert Pye Primary School	50
Ravensmere Infant School	12
Littleport & East	
Cambridgeshire Academy	26
Highfield Littleport Academy	23
Cromwell Community College	108
Earith Primary School	10
Central Services	-
	<u>1,405</u>

### 8 Charitable activities

	2018 £'000	2017 £'000
Direct costs - educational operations	35,651	26,965
Support costs - educational operations	17,243	15,536
	<u>52,894</u>	<u>42,501</u>
	2018 £'000	2017 £'000
Analysis of support costs		
Support staff costs	8,563	8,474
Depreciation and amortisation	2,144	1,525
Technology costs	27	40
Premises costs	2,205	1,763
Other support costs	3,935	3,264
Governance costs	369	470

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities		(Continued)	
		17,243	15,536
		<u>          </u>	<u>          </u>
9 Staff costs		<b>Total</b>	<b>Total</b>
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>			
Wages and salaries		29,489	24,014
Social security costs		2,518	2,021
Operating costs of defined benefit pension schemes		7,296	5,648
		<u>          </u>	<u>          </u>
		39,303	31,683
		<u>          </u>	<u>          </u>
Supply staff costs		879	814
Staff restructuring costs		68	51
Staff development and other staff costs		9	-
		<u>          </u>	<u>          </u>
Total staff expenditure		40,259	32,548
		<u>          </u>	<u>          </u>
Staff restructuring costs comprise:			
Severance payments		68	51
		<u>          </u>	<u>          </u>

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 together with the headteachers and executive headteachers of the trust's schools. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £3,110,000 (2017: £2,234,000).

### Staff numbers

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

	2018	2017
	Number	Number
Teachers	411	328
Administration and support	559	501
Management	70	62
	<u>          </u>	<u>          </u>
	1,040	891
	<u>          </u>	<u>          </u>



# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff costs Total (Continued)

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	22	11
£70,001 - £80,000	3	2
£80,001 - £90,000	4	3
£90,001 - £100,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	2	-

### 10 Related Party Transactions - Trustees' remuneration and expenses

Staff trustees only receive remuneration in respect of services they provide undertaking their roles as staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr G Peile - (staff trustee)

Remuneration: £110,000 - £115,000 (2017: £110,000 - £115,000)

Employer's pension contributions: £nil (2017: £nil)

Mr C Bush - (staff trustee)

Remuneration: £15,000 - £20,000 (2017: £15,000 - £20,000)

Employer's pension contributions: £nil (2017: £nil)

During the year ended 31 August 2018, expenses totalling £3,114 (2017: £6,853) were reimbursed to 7 trustees (2017: 8 trustees), consisting of travel and subsistence expenses of £3,114 (2017: £6,853).

No other related party transactions involving the trustees took place in the period of accounts as set out in note 26.

### 11 Trustees and officers Insurance

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Land and buildings (long leasehold) £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 September 2017	127,430	1,681	1,788	52	130,951
Additions	44,826	330	35	-	45,191
At 31 August 2018	172,256	2,011	1,823	52	176,142
<b>Depreciation</b>					
At 1 September 2017	3,437	1,055	714	21	5,227
Charge for the year	1,651	244	232	17	2,144
At 31 August 2018	5,088	1,299	946	38	7,371
<b>Net book value</b>					
At 31 August 2018	167,168	712	877	14	168,771
At 31 August 2017	123,993	626	1,074	31	125,724

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

- the taking up of a leasehold on Cromwell Community College for £17,100,000 over a term of 125 years
- the taking up of a leasehold on Littleport & East Cambs Academy for £25,160,000 over a term of 125 years
- the taking up of a leasehold on Earith Primary School £1,250,000 over a term of 125 years

The net book value of land and buildings comprises:

	2018 £'000	2017 £'000
Long leaseholds (over 50 years)	167,168	123,993

### 13 Financial instruments

	2018 £'000	2017 £'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	52	31
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	673	460

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<b>14</b>	<b>Stocks</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	School uniform	7	14
		<u>7</u>	<u>14</u>
<b>15</b>	<b>Debtors</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	52	31
	VAT recoverable	113	172
	Prepayments and accrued income	969	1,507
		<u>1,134</u>	<u>1,710</u>
		<u>1,134</u>	<u>1,710</u>
<b>16</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Government loans	40	20
	Salix loans (due within 1 year)	18	17
	Trade creditors	363	356
	Other taxation and social security	627	469
	Other creditors	-	474
	Accruals and deferred income	1,341	1,528
		<u>2,389</u>	<u>2,864</u>
		<u>2,389</u>	<u>2,864</u>

The Trust agreed a loan from the Department for Education under the Capital Pilot Loan Programme and drew an amount of £201,472 in the year. The loan will be repayable at an interest rate of 1.75% and repayable over a term of 8 years. The amount due within one year is £35,981. As part of the above agreement, the Trust was granted an interest-free Salix loan of £12,000 which is repayable over a term of 8 years. The amount due within one year is £1,500.

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<b>17</b>	<b>Deferred income</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income is included within creditors, under "Accruals and deferred income":		
	Deferred income at 1 September 2017	449	505
	Released from previous years	(449)	(505)
	Amounts deferred in the year	1,025	449
	<b>Deferred income at 31 August 2018</b>	<b>1,025</b>	<b>449</b>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Free School Meals of £389,000, EFSA Pupil Number Adjustment of £94,000, Local Authority Social Mobility Project funding of £186,000, rates income of £102,000, trip and club income of £123,000, Local Authority Early Years funding of £41,000, other grant funding of £62,000 Sports Grant of £7,000, energy feed-in-tariff payments of £17,000 and other funds of £3,000.

<b>18</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Government loans	263	122
	Other loans (Salix loans due over 1 year)	87	114
		<b>350</b>	<b>236</b>
	<b>Analysis of loans</b>		
	Not wholly repayable within five years by instalments	115	63
	Wholly repayable within five years	293	210
		<b>408</b>	<b>273</b>
	Less: included in current liabilities	(58)	(37)
	<b>Amounts included above</b>	<b>350</b>	<b>236</b>
	<b>Loan maturity</b>		
	Debt due in one year or less	58	37
	Due in more than one year but not more than two years	58	60
	Due in more than two years but not more than five years	173	113
	Due in more than five years	119	63
		<b>408</b>	<b>273</b>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

		(Continued)
18	Creditors: amounts falling due after more than one year	2018 2017

The Trust agreed a loan with Department of Education under the Capital Pilot Loan Programme and drew £201,472 during the year. The loan will be repayable at an interest rate of 1.75% and repayable over a term of 8 years. The amount due after more than one year is £215,890. As part of the above agreement the Trust was granted an interest-free Salix loan of £12,000, which is repayable over a term of 8 years. the amount due after more than one year is £8,250.

The Trust inherited two interest-free Salix loans on conversion of Albert Pye Primary School. The amount due after more than one year amount to £9,654.

The Trust inherited a loan from Cambridgeshire County Council on conversion of Highfield Ely Academy under the Mobilising Local Energy Investment initiative. The amount repayable after more than one year is £51395. The Trust also inherited an interest-free Salix loan for which the amount repayable after more than one year amounts to £77,920.

### 19 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant	860	38,654	(48,022)	-	(8,508)
Start up grants	149	20	-	-	169
Pupil Premium	(76)	2,863	-	-	2,787
Other government grants	(2)	4,751	-	-	4,749
Other restricted funds	(162)	-	-	-	(162)
	<u>769</u>	<u>46,288</u>	<u>(48,022)</u>	<u>-</u>	<u>(965)</u>
Funds excluding pensions					
Pension reserve	(14,187)	(3,430)	(2,507)	4,014	(16,110)
	<u>(13,418)</u>	<u>42,858</u>	<u>(50,529)</u>	<u>4,014</u>	<u>(17,075)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	123,110	43,560	-	-	166,670
DfE / ESFA capital grants	3,703	1,304	(2,144)	531	3,394
	<u>126,813</u>	<u>44,864</u>	<u>(2,144)</u>	<u>531</u>	<u>170,064</u>
<b>Total restricted funds</b>	<u>113,395</u>	<u>87,722</u>	<u>(52,673)</u>	<u>4,545</u>	<u>152,989</u>
<b>Unrestricted funds</b>					
General funds	4,665	3,083	(238)	(531)	6,979
<b>Total funds</b>	<u>118,060</u>	<u>90,805</u>	<u>(52,911)</u>	<u>4,014</u>	<u>159,968</u>

# **THE ACTIVE LEARNING TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **19 Funds**

**(Continued)**

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

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

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant	1,592	31,285	(32,017)	-	860
Start up grants	-	149	(5)	-	144
Pupil Premium	-	2,596	(2,596)	-	-
Other government grants	-	4,041	(4,042)	-	(1)
Other restricted funds	-	127	(289)	-	(162)
	<u>1,592</u>	<u>38,198</u>	<u>(38,949)</u>	<u>-</u>	<u>841</u>
Funds excluding pensions	1,592	38,198	(38,949)	-	841
Pension reserve	(14,272)	(2,020)	(1,875)	3,980	(14,187)
	<u>(12,680)</u>	<u>36,178</u>	<u>(40,824)</u>	<u>3,980</u>	<u>(13,346)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	115,836	8,644	(1,370)	-	123,110
DfE / ESFA capital grants	1,490	2,298	(155)	-	3,633
	<u>117,326</u>	<u>10,942</u>	<u>(1,525)</u>	<u>-</u>	<u>126,743</u>
<b>Total restricted funds</b>	<u>104,646</u>	<u>47,120</u>	<u>(42,349)</u>	<u>3,980</u>	<u>113,397</u>
<b>Unrestricted funds</b>					
General funds	3,175	1,660	(168)	-	4,667
<b>Total funds</b>	<u>107,821</u>	<u>48,780</u>	<u>(42,517)</u>	<u>3,980</u>	<u>118,064</u>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Funds

(Continued)

#### Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2018 were allocated as follows:	
The Neale-Wade Academy	577
Burrowmoor Primary School	309
Westwood Primary School	181
Gusford Primary School	377
Chesterton Primary School	95
Red Oak Primary School	1,017
Grove Primary School	105
Sidegate Primary School	277
Hillside Primary School	447
Kingsfield Primary School	131
Pakefield Primary School	22
Reydon Primary School	116
Isle of Ely Primary School	86
Chantry Academy	620
Highfield Ely Academy	238
Albert Pye Primary School	100
Ravensmere Infant School	66
Littleport & East Cambridgeshire Academy	8
Highfield Littleport Academy	72
Cromwell Community College	774
Earith Primary School	63
Central Services	333
Total before fixed assets fund and pension reserve	6,014
Restricted fixed asset fund	170,064
Pension reserve	(16,110)
Total funds	159,968



# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
The Neale-Wade Academy	4,861	1,329	163	1,544	7,897
Burrowmoor Primary School	1,359	352	-	295	2,006
Westwood Primary School	845	136	2	282	1,265
Gusford Primary School	1,864	298	15	324	2,501
Chesterton Primary School	434	94	3	244	775
Red Oak Primary School	1,222	225	13	414	1,874
Grove Primary School	920	205	13	324	1,462
Sidegate Primary School	1,845	275	49	366	2,535
Hillside Primary School	2,085	273	30	667	3,055
Kingsfield Primary School	1,374	320	10	416	2,120
Pakefield Primary School	1,246	266	17	293	1,822
Reydon Primary School	532	71	19	188	810
Isle of Ely Primary School	651	109	10	326	1,096
Chantry Academy	3,113	648	81	1,018	4,860
Highfield Ely Academy	2,031	254	10	291	2,586
Albert Pye Primary School	1,080	157	14	281	1,532
Ravensmere Infant School	226	51	2	69	348
Littleport & East					
Cambridgeshire Academy	409	130	-	247	786
Highfield Littleport Academy	612	34	-	206	852
Cromwell Community College	4,131	825	128	982	6,066
Earith Primary School	186	52	2	72	312
Central Services	-	-	-	-	-
	<u>31,026</u>	<u>6,104</u>	<u>581</u>	<u>8,849</u>	<u>46,560</u>

Transfers between funds during the year represented a capital contribution in respect of the trust's acquisition of fixed assets.

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Funds

(Continued)

#### Funds analysis by academy - previous year

	Total 2017 £'000
Fund balances at 31 August 2017 were allocated as follows:	
The Neale-Wade Academy	888
Burrowmoor Academy	274
Westwood Academy	218
Gusford Primary School	126
Chesterton Primary School	14
Red Oak Primary School	783
Grove Primary School	122
Sidegate Primary School	212
Hillside Primary School	764
Kingsfield Primary School	153
Pakefield Primary School	31
Reydon Primary School	127
Isle of Ely Primary School	145
Chantry Academy	685
Highfield Ely Academy	136
Albert Pye Primary School	55
Ravensmere Infant School	66
Central services	709
Total before fixed assets fund and pension reserve	5,508
Restricted fixed asset fund	126,743
Pension reserve	(14,187)
Total funds	118,064

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Funds

(Continued)

#### Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000
The Neale-Wade Academy	5,140	1,294	179	1,608	8,221
Burrowmoor Academy	1,441	334	16	339	2,130
Westwood Academy	738	115	7	302	1,162
Gusford Primary School	2,068	308	13	518	2,907
Chesterton Primary School	386	79	5	212	682
Red Oak Primary School	1,139	165	27	464	1,795
Grove Primary School	1,024	126	37	289	1,476
Sidegate Primary School	1,898	228	25	502	2,653
Hillside Primary School	1,918	267	108	606	2,899
Kingsfield Primary School	1,360	265	62	472	2,159
Pakefield Primary School	1,274	224	20	348	1,866
Reydon Primary School	501	50	12	218	781
Isle of Ely Primary School	496	44	16	291	847
Chantry Academy	3,009	589	113	1,055	4,766
Highfield Ely Academy	2,184	222	68	246	2,720
Albert Pye Primary School	989	128	34	236	1,387
Ravensmere Infant School	212	43	6	81	342
Central services	-	999	-	1,184	2,183
	<u>25,777</u>	<u>5,480</u>	<u>748</u>	<u>8,971</u>	<u>40,976</u>

### 20 Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash in hand and at bank	7,854	6,462
Notice deposits (less than 3 months)	1,050	1,440
<b>Total cash and cash equivalents</b>	<b>8,904</b>	<b>7,902</b>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	168,771	168,771
Current assets	8,344	408	1,293	10,045
Creditors falling due within one year	(1,365)	(1,024)	-	(2,389)
Creditors falling due after one year	-	(350)	-	(350)
Defined benefit pension liability	-	(16,109)	-	(16,109)
<b>Total net assets</b>	<b>6,979</b>	<b>(17,075)</b>	<b>170,064</b>	<b>159,968</b>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	71	125,653	125,724
Current assets	4,585	3,951	1,090	9,626
Creditors falling due within one year	82	(2,946)	-	(2,864)
Creditors falling due after one year	-	(236)	-	(236)
Defined benefit pension liability	-	(14,186)	-	(14,186)
<b>Total net assets</b>	<b>4,667</b>	<b>(13,346)</b>	<b>126,743</b>	<b>118,064</b>

### 22 Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases were as follows:

	2018 £'000	2017 £'000
Amounts due within one year	88	80
Amounts due in two and five years	143	141
Amounts due after five years	-	1
	<b>231</b>	<b>222</b>

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **23 Pensions and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £Nil (2017: £272,000) were payable to the TPS scheme and contributions amounting to £Nil (2017: £203,000) were payable to the LGPS scheme at 31 August 2018 and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £4,124,000 (2017: £2,221,000)

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 23 Pensions and similar obligations

(Continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14 to 24.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £2,922,000 (2017: £2,033,000.)

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

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 28) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	2,434	2,010
Employees' contributions	634	528
<b>Total contributions</b>	<b>3,068</b>	<b>2,538</b>
<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	2.7	2.7
Rate of increase for pensions in payment	2.4	2.4
Discount rate	2.7	2.5
Inflation assumption (CPI)	2.4	2.4

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 23 Pensions and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.4	22.1
- Females	24.4	24.4
Retiring in 20 years		
- Males	24	23.9
- Females	26.3	26.4

#### Sensitivity analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries engaged by the academy trust, Hymans Robertson LLP, have calculated and compared the value of the scheme liabilities as at 31 August 2018 on varying bases. The approach taken is consistent with that adopted to derive the pension scheme valuation reports used within the preparation of these financial statements. The sensitivities regarding the principal assumptions used to measure the pension scheme liabilities are set-out below:

The academy trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	17,720	12,113
Bonds	2,685	2,978
Cash	644	310
Property	1,645	1,475
Total market value of assets	22,694	16,876
Actual return on scheme assets - gain/(loss)	1,276	952
Amounts recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	4,477	3,515
Interest income	(497)	(303)
Interest cost	961	673
Total operating charge	4,941	3,885

#### Commutation

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
Obligations at 1 September 2017	31,062	27,047
Obligations acquired on conversion	5,240	2,807
Current service cost	4,477	3,515
Interest cost	961	673
Employee contributions	634	528
Actuarial gain	(3,235)	(3,331)
Benefits paid	(336)	(177)
At 31 August 2018	38,803	31,062
Changes in the fair value of the academy trust's share of scheme assets	2018 £'000	2017 £'000
Assets at 1 September 2017	16,876	12,776
Assets acquired on conversion	1,810	787
Interest income	497	303
Actuarial gain	779	649
Employer contributions	2,434	2,010
Employee contributions	634	528
Benefits paid	(336)	(177)
At 31 August 2018	22,694	16,876
Actuarial gains/(losses) on defined benefit pension schemes	4,014	3,980
Defined benefit pension liability	(16,109)	(14,186)



# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 24 Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	37,894	6,263
Adjusted for:		
Net surplus on conversion to academy	(40,661)	(6,731)
Capital grants from DfE/ESFA and other capital income	(1,304)	(2,369)
Investment income receivable	(9)	(12)
Finance costs payable	4	1
Defined benefit pension costs less contributions payable	2,043	1,505
Defined benefit pension net finance cost	464	370
Depreciation of tangible fixed assets	2,144	1,525
Decrease in stocks	7	5
Decrease/(increase) in debtors	576	(656)
(Decrease)/increase in creditors	(496)	738
Stocks, debtors and creditors transferred on conversion	(227)	(185)
<b>Net cash provided by operating activities</b>	<b>435</b>	<b>454</b>

### 25 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the accounts	230	619

Capital commitments at 31 August 2018 relate to Kingsfield Primary School canopy for £16,000 and Neale Wade Academy roof replacement works for £214,000.

### 26 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in Note 10.

### 27 Members' liability

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 28 Conversion to an academy

On 1 September 2017 the Littleport & East Cambridgeshire Academy was set up under the Academies Act 2010.

On 1 September 2017 the Highfield Littleport Academy was set up under the Academies Act 2010.

On 1 September 2017 the Cromwell Community College was converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Active Learning Trust Limited from Cromwell Community College Trust for £nil consideration.

On 1 January 2018 the Earith Primary School was converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Active Learning Trust Limited from the Cambridgeshire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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.

Academy	Location	Date of conversion
Littleport & East Cambridgeshire Academy	Cambridgeshire	1 September 2017
Highfield Littleport Academy	Cambridgeshire	1 September 2017
Cromwell Community College	Cambridgeshire	1 September 2017
Earith Primary School	Cambridgeshire	1 January 2018

	2018 £'000
<b>Net assets transferred:</b>	
Leasehold land and buildings	43,560
Cash	758
LGPS pension surplus/(deficit)	(3,430)
Current assets	159
Current liabilities	(386)
	<u>40,661</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2018 £'000
Funds surplus/(deficit) transferred:	£'000	General £'000	Fixed asset £'000	£'000
Fixed assets funds	-	-	43,560	43,560
LGPS pension funds	-	(3,430)	-	(3,430)
Other funds	531	-	-	531
	<u>531</u>	<u>(3,430)</u>	<u>43,560</u>	<u>40,661</u>