

Company Registration No. 07928558 (England and Wales)

**ADVANCE LEARNING PARTNERSHIP
(FORMERLY PARKSIDE ACADEMY)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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COMPANIES HOUSE

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

L Davies (Accounting Officer)
G Hardy
R Wolff (Resigned 15 September 2017)
D Kingston (Chair)
D Liddle
R Nelson (Resigned 21 July 2017)
J Deller
O Gunn (Resigned 21 July 2017)
A Horner (Resigned 15 September 2017)
S Lipscombe
K Martin (Resigned 15 September 2017)
G Smith (Resigned 15 September 2017)
E Blackett (Resigned 15 September 2017)
S Robson (Resigned 21 July 2017)
M Sheppard (Resigned 15 September 2017)
L Thompson
K Reynolds
E Chadwick (Resigned 21 July 2017)
F Tinsley (Resigned 15 September 2017)
A Aisbitt (Appointed 1 November 2016)
K Simpson (Appointed 16 February 2017 and resigned 15 September 2017)
S Leech (Appointed 22 March 2017)

Members

D Kingston
D Liddle
K Reynolds
A Tomlinson (appointed 16 September 2017)
H Armstrong (appointed 22 March 2017)

Senior management team

- Chief Executive Officer, Advance Learning Partnership	L A Davies
- Finance Director, Advance Learning Partnership	C Oates
- Headteacher, Parkside Academy	K Simpson
- Deputy Headteacher, Parkside Academy	S Gregory

Company secretary

C Oates

Company registration number

07928558 (England and Wales)

Registered office

Hall Lane Estate
Willington
Crook
County Durham
DL15 0QF

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds Bank 32 Newgate Street Town Centre Bishop Auckland DL14 7EG
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

As a trust our main priority is to raise the attainment of young people. A significant number of students, of both primary and secondary age, are attending schools judged other than 'good' or 'outstanding'. This fundamental failure to equalise opportunity has an adverse effect upon the life chances of these young people well beyond their school years. We are committed to addressing this inequality; believing that all schools and in turn, their outcomes, can improve incrementally, continually building on the improvements of the previous year.

Advance Learning Partnership aims to secure rapid and sustained improvement delivering the very best educational experience for students within each academy of the Multi Academy Trust.

Advance Learning Partnership is governed by non-executive directors constituted under a Memorandum of Association and Articles of Association. This Board of Directors (Board) is responsible for ensuring that high standards of corporate governance are maintained. The Board exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the academies. This affords greater opportunities for collaboration not only with regards to teaching and learning but also in terms of the management of each Academy, including the procurement of goods and services.

The Board is also governed by the terms of any Funding Agreements that are in place and the Academies Financial Handbook.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Willington, County Durham. It has a pupil capacity of 900 and had a roll of 775 in the school census on 1 October 2017. The Trust is actively considering opportunities for other schools to join the Trust.

Change of name

On 14 March 2017 the charitable company changed its name from Parkside Academy to Advance Learning Partnership.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Advance Learning Partnership (formerly Parkside Academy) are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

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.

Directors' indemnities

Companies Act 2006 section 236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance with Zurich International has been taken out to cover the liability of Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Method of recruitment and appointment or election of Directors

The Directors are appointed in accordance with the provisions set out in the Memorandum and Articles of Association.

When appointing new Directors, the board will give consideration to the skills and experience mix of existing directors in order to ensure the board has the necessary skills to contribute fully to the Multi Academy Trust's development.

The Trust has the following Directors:

LA Davies (CEO)
D Kingston (Chair)
J Deller (Vice Chair)
S Lipscombe
L Thompson
G Hardy
AAisbitt
S Leech
S Lipscombe
D Liddle
K Reynolds

The following people served as Directors for part of the year but were not Directors at the time of approval of the financial statements:

O Gunn
R Nelson
E Chadwick
S Robson
K Simpson (Headteacher)
R Wolff
F Tinsley
A Horner
E Blackett
M Sheppard
G Smith
K Martin

Appointment of additional directors

The Secretary of State may give a warning notice to the Directors where he is satisfied:-

- i. that the standards of performance of pupils at the Academy are unacceptably low, or
- ii. that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii. that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy delivered to the Office setting out:-

- a) the matters referred to in Article 60;
- b) the action which he requires the Directors to take in order to remedy those matters; and
- c) the year within which that action is to be taken by the Directors ('the compliance year').

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

The Secretary of State may appoint such Additional Directors as he thinks fit if the Secretary of State has:

- a) given the Directors a warning notice in accordance with Article 60; and
- b) the Directors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance year.

The Secretary of State may also appoint such Additional Directors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy receives an Ofsted grading (being a grade referred to in *The Framework for School Inspection* or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Parkside Academy shall be regarded as the grade received by the Trust.

The Secretary of State may also appoint such further Directors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Trust.

Within 5 days of the Secretary of State appointing any Additional or Further Directors in accordance with Articles 62, 62A or 63, any Directors appointed under Article 50 and holding office immediately preceding the appointment of such Directors, shall resign immediately and the Members' power to appoint Directors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Directors.

Terms of Office

All Directors have a four year term of office from the date they were appointed.

Policies and procedures adopted for the induction and training of directors

The Trust takes its responsibility to train new Directors very seriously and therefore have developed a procedure to follow.

The induction includes:

- a tour of the school by a member of the senior team to include a briefing on our core purpose and values;
- meet staff and students on the tour; and
- Meet with the Head Teacher and Board of Directors

Documentation supplied will include Directors handbook, last Ofsted Report, previous minutes of the full Board of Directors, list of Directors, list of sub committees (and terms of reference /membership), calendar of Directors meetings and training available.

Director Training is provided via the Service Level Agreement and Director Support with Durham County Council and also by professional advisors in specific areas.

Organisational structure

The organisational structure of the Trust reflects the current operational needs, whilst being 'scalable' to support future developments, primarily the expansion of the number of academies in the Advance Learning Partnership family of schools.

The Chief Executive Officer is the Accounting Officer of the Trust and, as such, has ultimate responsibility for the operations and controls in place. The Trust has a Board of Directors, who support the Accounting Officer in the performance of their duties. The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the performance of the Trust by the use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staffing appointments.

The Academy Councils act as advisory bodies to the Advance Learning Partnership Trust (ALP) Board.

The Board of Directors have devolved responsibility for day-to-day management of the Trust to the Headteachers and Senior Leadership Teams (SLT) of each Academy. The SLT can include the Headteacher, Deputy and Assistant Headteachers. The SLT implement the policies laid down by the Directors and the Academy Councils and reports back to them on performance.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The Board of Directors will ensure that the process of determining the remuneration of Key Management Personnel is fair and transparent. ALP follows a pay policy which is endorsed annually by the Members with regards to the setting of Key Management Personnel pay.

Decisions made regarding pay progression will be made with reference to the teachers' Performance Management Policy and having regard to the results of the most recent Performance Management report and pay recommendation.

At a performance management meeting, comprising of Performance Management Directors, School Improvement Partner and Key Management Personnel, pay recommendations are presented to the committee along with evidence of targets met with guidance from the School Improvement Partner. Progress will only be considered where there has been sustained high quality performance.

Related parties and co-operation with other organisations

The Academy is not part of any wider network or Federation. Details of related parties are provided in note 26.

OBJECTIVES AND ACTIVITIES

The Trust Board and Academy Council aims to achieve the highest standard of academic outcomes for every student through outstanding teaching and learning, quality guidance and support alongside inspirational enrichment and extracurricular provision.

ALP strives to treat every child with respect. Respect for an individual child entails a safe stimulating environment that challenges children daily to reach their potential.

The Trust Board has supported schools looking to join the Advance Learning Partnership Multi Academy Trust.

Objects and Aims

Advance Learning Partnership

The long-term objective of the Trust is to become a strong local partnership of schools that provides for all ages from 2-19, with a fully inclusive range of provision. Each academy within the Trust will have its own unique characteristics. Collaboration and joint working will ensure that all academies in the Trust can share in, and benefit from, each other's strengths.

The Trust has a set of clear, measurable aims that permeate throughout the whole school, the aims of the Trust during the year ended 31 August 2017 are summarised below;

- development of all staff as leaders to raise academic outcomes;
- pedagogy and formative assessment to lead rapid progress of disadvantaged and high attainment on entry students student groups;
- mental health and resilience;
- every child to be fully supported to effectively engage in the learning environment;
- all progress outcomes for school - groups and subjects to be significantly positive;
- to raise standards through outstanding Teaching and Learning;
- to increase capacity by providing opportunities to give better value for money;
- to provide strong, effective governance at all levels within the framework.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Objectives, strategies and activities

Following consultation of the schools current objectives by the Governors, the areas outlined below were agreed:

Leadership and Management Development of all staff as leaders to raise academic outcomes	P8 0.25+ A8 Above National Average 2.0pt 0.25 Subject Positive Value Added	<ul style="list-style-type: none"> • Systematic, assessment data analysis across subject areas leading to QFT interventions. (Identification of PP and High AoE) • Guided subject CPD designed, implemented and monitored through mid-level leadership • Subject leaders in (MFL, Geography & Art) to undertake an external school subject inspection • Core leaders to coordinate timetabled and supplemented targeted intervention • Accountability structure embedded (Typicality of teaching)
Teaching and Learning Pedagogy and formative assessment to lead rapid progress of disadvantaged and High AOE student groups.	PP and High AOE group outcomes—gaps below national by 5%	<ul style="list-style-type: none"> • Systematic, assessment data analysis across subject areas leading to QFT interventions for identified groups • Guided Core training through CPD, and weekly meetings/briefings • PP and HA groups as standing agenda item on QA Data meetings (Individual student) • Quality of formative assessment al to work analysis • To inform subject support interventions • Parental communication forum and support materials • Staff pedagogy research groups lead school practice
Personnel Development, Welfare and Behaviour Mental Health and resilience. Every Child to be fully supported to effectively engage in the learning environment.	Attendance 0.2 above national with SEND and PP in line with national Student voice 80% satisfaction (subjects and whole school) Reduction in FTX (1%) and Bridge refs (5%) Reduction in negative behaviour points on Class Charts 16/17 – 17/18 (5%) Measurable improvement in SEC wheel assessments Behaviour inspection graded 1	<ul style="list-style-type: none"> • Targeted monitoring and early intervention of PP and SEND students by attendance team • Systematic programme of student voice both in departments and on a whole school basis • Rigorous pastoral systems and procedures to continue to be developed (reports, panel refs, PSP, parental contact, EHA etc.) (Use of CPOMS early identification) • Ongoing intervention programmes for targeted students with specific SMSC outcomes (Vulnerable groups) • Extensive staff training and support programme focusing on mental health, resilience and classroom climate to engage students • Effective programme of communication and parental engagement events with parents and carers continued to be developed and employed (Year 11 stress management programme, YAM Project)
Outcomes All progress outcomes across the school groups and subjects to be significantly positive.	Overall Progress 8 score +0.25 (Dis +0.20) English Progress 8 score +0.15 (Dis +0.10) Maths Progress 8 score +0.20 (Dis +0.10) Ebacc Progress 8 score +0.15 (Dis +0.05) Open Progress 8 score +0.35 (Dis +0.25)	<p>Standardised delivery of data to class teachers, middle leaders, senior leaders and governors (any appropriate stakeholders).</p> <p>Personalised curriculum optimised through leadership direction, subject knowledge and personalised pathways for every student.</p> <p>Systematic intervention driven by data analysis (1:1, 1:3, QFT, Waves)</p>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT

Achievements and performance

The school has a proven track record of addressing achievement issues over the last 11 years. Capacity is at least good in all of the core subjects with future potential for outstanding outcomes as more consistent high quality teaching and learning moves through from key stage 3-4.

The Headteacher, Leadership Team, staff and Directors are passionate about achieving the very best for every student. This includes their personal development, behaviour and welfare. Their commitment through programmes such as 'Three Towns project and Global Learning' strongly promotes the need for students to be thoughtful caring active citizens in school and wider society.

The excellent teaching and learning that takes place at Parkside is becoming increasingly recognised in the community and is confirmed by the rise in student numbers in 2016 to 2017, where we are oversubscribed.

The Local Authority has used The Chief Executive Officer (formally the Headteacher) to support schools in need and thus support the outcomes of a larger number of students within the Authority.

The 2017 GCSE results saw 81% of students achieve at least a Grade 4 or above in English and/or Maths (the equivalent 2016 A* - C Grade). 73% achieved a Grade 4 in English and 71% a Grade 4 in Maths.

The student attainment in core subject areas is good. Maths attainment at Grade 4 and 5 is 3% and 12% above National respectively, whilst English attainment is in line with National Grade 4 and 5% above National attainment Grade 5 (Strong Pass).

Progress measures based against FFT 20 are positive and when Progress 8 scores are validated on October 2017 the student attainment of overall male, female, disadvantaged, high attainment on entry, low attainment on entry and SEN are all expected to be positive.

Parkside achieved two SSAT awards this year for being in the top 20% of schools: The awards were for both student achievement and progress.

Student attendance is above the National average for the third consecutive year. Fixed term and permanent exclusions are significantly lower than National outcomes. The transition of students into full time education and training is in line with National and County benchmarks.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Financial review

Most of the Academy's income is obtained from DfE/ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017 total expenditure of £4,901,272 (2016: £4,882,447) was incurred. The excess of total income over expenditure for the year (prior to other gains/losses) was £733,407 (2016: £265,017 net expenditure), this surplus includes depreciation of £218,148 (2016: £224,944) and capital funding of £823,657 (2016: £15,846), which leaves a surplus of £127,898 (2016: £55,919 deficit).

At 31 August 2017 the net book value of fixed assets was £5,989,374 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

There is a proactive Resources and Governance Committee that meets each term to look in depth at the financial situation, review policies and procedures, agree the annual budget and report back.

In addition to this there is a sub-committee consisting of 3 members of the Resources and Governance Committee, the "Audit Committee", that meet three times each term and looks in depth at the income and expenditure, bank reconciliations, departmental spending and balance sheets; this sub-committee then report back to the Resources and Governance Committee.

Principle Risks and Uncertainties

The Trusts policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

The Board of Directors is responsible for making a statement of risk management in the annual accounts of the Academy Trust. In order to be able to make the required statement with reasonable confidence, the Directors ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Academy Trust's vision and strategic goals as set out in the Academy's Development Plan;
- the process covers all areas of risk e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;
- the process produces a risk expose profile that reflects the Directors views as to levels of acceptable risk; and
- the principal results of risk identification are reviewed, evaluated and managed; and that risk management is ongoing and embedded in management and operation procedure.

The Trust minimises the risk to the financial wellbeing and good reputation of the Trust by recognising and minimising risk to the Governance, management and fabric of the school.

There are four principle operational risks and uncertainties relating to the Trust:

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Risk	Mitigation
The future level of funding of education is uncertain in the current economic climate.	This is mainly outside the control of the Directors, but they engage with the ESFA about funding when such opportunities arise.
The finances of the Trust are highly sensitive to the number of pupils who are enrolled each year.	The Directors and CEO are confident that the examination successes and enhanced reputation of the Trust will enable them to attract an increased number of students. The Trust works hard with their cluster primary schools, projected student numbers and the associated financial implications are closely monitored.
Any future increases in costs of funding the Teachers' pension Scheme and the Local Government Pension Scheme. Pension schemes are wholly outside the control of the Directors.	The Directors liaise with each of the pension schemes to understand and plan for potential increases in costs.
The Directors have a long-term commitment to maintain the building estates of the Trust.	The trust has a robust premises strategy to manage this obligation, but it is dependent on the receipt of appropriate financial support from the ESFA.

Reserves policy

The Trust's policy on reserves is to seek to balance the competing priorities of expending the maximum amount of resources on students, principally through the provision of highly qualified staff, and the need to retain resources to manage future uncertainty.

The Board of Directors aim to maintain enough in their reserves to provide against a sudden and unexpected fall in future income. The Board will review the required level of reserves on an annual basis to ensure it continues to meet the needs of the Trust. The Directors have determined that the appropriate level of free reserves should be equivalent to 8 weeks expenditure which equates to £720k. The current level of available reserves are £493k. The Trust is addressing this deficit year on year by reducing overheads through efficiencies and bulk purchasing power. The reason for this is to provide a sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The provisions of FRS102 section 28 pension liability have been applied in full, resulting in a deficit of £2,250k (2016: £2,259k) recognised on the balance sheet.

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation as laid out in the Reserves and Investment Policy. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The Trust recognises and agrees that all money received from the ESFA is to fund the education of the current students and the Trust should not hold large reserves/investments to the detriment of current students.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Key performance indicators

The Trust continues to develop its key financial indicators. These KPIs cover both financial and non-financial targets.

Outcomes for Learners

Performance Measure	School Score	County Rating	County Average
Progress 8	+0.37	1	-0.20
Disadvantaged Progress 8	+0.34	1	-0.50
English Progress	+0.06	9	-0.30
Maths Progress	+0.40	2	-0.40
Ebacc Progress	+0.03	5	-0.30
Open Progress	+0.90	2	0.10
High Prior <u>Attainers</u>	+0.30	0.3	-0.18
Middle Prior <u>Attainers</u>	+0.39	0.4	-0.20
Low Prior <u>Attainer</u>	+0.53	0.5	0.29

The overall progress achieved is significantly positive. The progress of disadvantaged students and high attainment on entry are both significantly positive.

The school has performed well above national expectations in all key measures.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

The results combined with the 2016 outcomes demonstrate a consistently high performing school. The Department for Education performance tables (2017) ranked Parkside Academy 'Number 1' for outcomes for learners based on progress in County Durham.

Financial Targets

Annual Operating Surplus

The academies will be targeted with producing an annual budget which provides 1% of GAG income as a surplus which will be used as follows;

- investing funds to generate further income to allow for expansion of the MAT and its work; and
- releasing funds into revenue budgets for furtherance of a school's objectives assigning funds to appropriate designated reserves.

Staffing related

The most significant cost for an academy is the payroll cost. Academy staff costs should be between 70% - 80% of total expenditure. It is important that academies identify these costs appropriately. The level of expenditure on staff is seen as a key benchmark for the education sector; it shows investment in the teaching provision and provides an indication of the staff/pupil ratios. The target is set within a range as this provides each academy with a level of independence in setting their staffing levels but also indicates that they should not be set too high or too low. There have been no significant fluctuations year on year.

	2017	2016
Total staff costs / GAG income	91%	89%
Total staff costs / Total expenditure	74%	72%

Liquidity ratio

A measure of the schools ability to pay of its debts as they become due.

1.7

1.5

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

DIRECTORS' REPORT (CONTINUED)

Plans for future periods

Educational

- The Trust will continue to improve the levels of attainment for all students so that they are in line with or above national average
- Ensure disadvantaged students make better progress than pupils nationally and their attainment is in line with or above national average
- Ensure the higher attaining students on entry are fully challenged and achieve the highest grades
- Continue to increase student numbers so that the Academy is oversubscribed on entry
- Continue to invest in educational and infrastructure projects that impact directly on student outcomes
- Continue to develop the Trust Continued Professional Learning programme so that staff are highly trained and the school has sustainable leadership and staffing.

Growth

Parkside Academy became a Multi Academy Trust on 22 March 2017 operating under the name of Advance Learning Partnership. At the year end Parkside Academy is the only Academy within the Trust, however Staindrop Academy joined the Trust on 1 October 2017.

The Trust aims to further expand in the next academic year with the addition of one 'Good' Primary School and another Secondary School.

Advance Learning Partnership will continue to focus on raising standards and delivering educational excellence in its family of schools.

Staffing

- To provide more opportunities for the staff of each school within the MAT to share knowledge and develop together
- To provide further opportunities for shared training and professional support
- To provide a wider range of career opportunities for all staff within the Trust
- To enable all school within the Trust to recruit and retain high quality teachers and support staff

Capital

Advance Learning Partnership is considering future Capital Funding bids for:

- Renovation of the Gymnasium
- Flat roofing replacement to two blocks


AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' report is approved by order of the Governing Body and the strategic report (included therein) is approved by the Governing Body in their capacity as the directors at a meeting on 29 November 2017 and signed on its behalf by:



D Kingston
Chair

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that ALP 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 Directors have 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 ALP and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

Out of possible

Directors	Meetings attended	Out of possible
L Davies	6	6
J Deller	5	6
G Hardy	5	6
D Kingston (Chair)	6	6
S Lipscombe	5	6
L Thompson	6	6
A Aisbitt	3	6
S Leech	5	6

The Parkside Academy Board of Directors formally met 2 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
L Davies	1	1
E Blackett	2	2
J Deller	2	2
O Gunn	1	2
G Hardy	2	2
A Horner	-	2
D Kingston (Chair)	2	2
D Liddle	-	2
S Lipscombe	2	2
B Nelson	2	2
K Reynolds	1	2
L Thompson	1	2
R Wolff	2	2
M Sheppard	2	2
G Smith	2	2
K Martin	2	2
E Chadwick	2	2
F Tinsley	1	2
A Aisbitt	1	2
S Robson	2	2

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

The Resources and Governance Committee is a sub-committee of the main board. Its purpose is to look at the financial position of the academy and report back at Directors meetings. This committee also reviews and agrees financial policies and procedures. There is also an Audit Committee that meets three times per term to look at the financial reports in depth, question the financial decisions and ensure a healthy financial position is maintained. Attendance at meetings (including members and observers) in the year is as follows:

Directors	Meetings attended	Out of possible
L Davies (Accounting Officer)	2	3
G Hardy	2	3
D Kingston (Chair)	3	3
R Nelson (Resigned 21 July 2017)	1	3
S Lipscombe	3	3
S Robson (Resigned 21 July 2017)	3	3
L Thompson	3	3
E Chadwick (Resigned 21 July 2017)	3	3
F Tinsley (Resigned 15 September 2017)	3	3
K Simpson (Appointed 16 February 2017 and resigned 15 September 2017)	2	2

Each academy in the Advance Learning Partnership will establish an Academy Council, whose directors' role is to oversee the running of delegated aspects of the academies on behalf of the Trust. The membership of the Academy Council shall be for Advance Learning Partnership to decide in consultation with the Chair of the Predecessor School Governing Body.

The Academy Council is a sub-committee of the Board. The responsibilities of Academy Council are set out in detail in their terms of reference.

The Academy Council is made up of directors who are expected to question, challenge and support the academy's leadership. Attendance of the Academy Council meetings during the year was as follows;

Directors	Meetings attended	Out of possible
G Hardy	3	3
R Wolff (Resigned 15 September 2017)	3	3
D Kingston (Chair)	3	3
D Liddle	1	3
J Deller	2	3
O Gunn (Resigned 21 July 2017)	2	3
A Horner (Resigned 15 September 2017)	2	3
S Lipscombe	2	3
K Martin (Resigned 15 September 2017)	2	3
G Smith (Resigned 15 September 2017)	3	3
E Blackett (Resigned 15 September 2017)	3	3
S Robson (Resigned 21 July 2017)		
M Sheppard (Resigned 15 September 2017)	3	3
L Thompson	3	3
K Reynolds	1	3
F Tinsley (Resigned 15 September 2017)	3	3
A Aisbitt (Appointed 1 November 2016)	1	3
K Simpson (Appointed 16 February 2017 and resigned 15 September 2017)	2	2

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Extended School Opportunities

We are committed to supporting our students to achieve their full potential through academic achievement and extracurricular opportunities through extended learning experiences that help develop the whole person towards their future personal, higher educational or working life.

Focus on individual Students

We have a proportion of students who are identified as having a Special Educational Need or disadvantage. We pride ourselves on the inclusive and supportive environment we provide for all students helping those who need extra or specialist support.

We closely monitor our special areas of pupil funding to ensure that educational aspirations and outcomes are improved by putting one to one interventions in place, learning support for specific pupils and areas of school resources for specific pupils who require alternative learning environments.

Collaboration

The Academy works very closely with our cluster primary schools, with annual inclusive events such as Year 5 multi skills events, sports days and we also hold a week long summer school programme for Year 5 and 6 pupils.

Financial Governance and Oversight

The Governing Body challenge both standards and attainment levels, in addition to this the Academy's external School Improvement Partner works in conjunction with the Head Teacher to ensure continued improvement and reports to the Governing Body on progress.

The Board of Directors has a strong oversight of the financial management of the budget and related processes. The Resources and Governance Committee meet regularly to review the current and future financial position of the Trust, to receive reports and challenge decisions.

The Board of Directors approve the annual budget of the academy and on a termly basis and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Board of Directors also receives and approves the external auditors Annual Report & Financial Statements and Management Letter.

Annually the external reviewer tests the internal controls and reports findings to the Resources and Governance Committee, no significant deficiencies in internal control procedures were found that required being brought to the attention of the Directors.

During the year there has been an introduction of improved financial controls and procedures to ensure adherence with the Finance Policy prior to the expansion of the Multi Academy Trust. There has also been an implementation of a new financial management system to record financial transactions and aid budget monitoring and financial reporting in a Multi Academy Trust.

Fitness for purpose

The Academy Trust has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Lessons learned

The Academy Trust continues to challenge our way of working to deliver better outcomes for students and a more efficient use of resources. The external environment and pressure on funding going forward make this increasing important. Our continued curriculum development to support high student achievement remains our top priority, and the academy trust recognizes that getting best value from finite resources in order to support this is essential.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

Maximising Income Generation

The Academy actively seeks out opportunities to generate income; reduce expenditure and maximise exposure. Currently we are undertaking:

- The hiring of the facilities to the wider community.
- Consultancy work in the areas of data, teaching and learning, leadership, school to school support.
- Contract review.
- Central procurement.
- Economies of scale.
- Harmonisation of business services.

The Academy also ensures that, through positive business and community links, we are able to embrace and increase opportunities of partnership working for the benefit of students, staff and the wider community.

Risk Management

The Board of Directors work closely with the Trust to review and mitigate risk. The academy Risk Register is reviewed annually along with the Trust's Scheme of delegation.

The Trust has arranged that where possible, all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage the efficiently, effectively and economically. The system of internal control has been in place in ALP for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is an informal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. Formal consideration of the risk register and policy was made by Directors in May 2017.

The risk and control framework

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

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

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed S Lipscombe, a Director, to perform a range of checks on the Academy Trusts financial and safeguarding systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of procurement processes; and
- testing of safeguarding systems, in particular the Single Central Record.

The reviewer reports to the Resources and Governance Committee on the operation of control and on the discharge of the directors financial responsibilities.

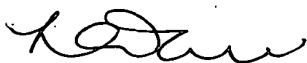
Review of effectiveness

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

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

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

Approved by order of the Governing Body on 29 November 2017 and signed on its behalf by:



L Davies
Accounting Officer



D Kingston
Chair

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Advance Learning Partnership (formerly Parkside Academy) I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's Board of Directors 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 2016.

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 Directors and ESFA.



L Davies
Accounting Officer

29 November 2017

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Advance Learning Partnership (formerly Parkside Academy)) are responsible for preparing the Directors' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the Governing Body on 29 November 2017 and signed on its behalf by:



D Kingston
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

Opinion on financial statements

We have audited the financial statements of Advance Learning Partnership (formerly Parkside Academy) (the "academy trust") for the year ended 31 August 2017 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), 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 2017 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 Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Directors 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.

Opinion on other matter 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 Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY) (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and 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 by the charitable company, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the directors, who also act as trustees for the charitable activities of Advance Learning Partnership (formerly Parkside Academy), 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

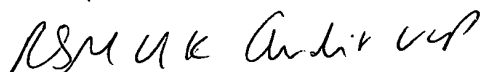
In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, 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 financial statements 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Claire Leece (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

14 December 2017

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	-	823,657	823,657	15,846
Charitable activities:						
- Funding for educational operations	4	-	4,437,458	-	4,437,458	4,321,079
Other trading activities	5	215,689	157,735	-	373,424	279,361
Investments	6	140	-	-	140	1,144
Total		<u>215,829</u>	<u>4,595,193</u>	<u>823,657</u>	<u>5,634,679</u>	<u>4,617,430</u>
Expenditure on:						
Raising funds	7	160,806	-	-	160,806	195,622
Charitable activities:						
- Educational operations	8	-	4,522,318	218,148	4,740,466	4,686,825
Total	7	<u>160,806</u>	<u>4,522,318</u>	<u>218,148</u>	<u>4,901,272</u>	<u>4,882,447</u>
Net income/(expenditure)		55,023	72,875	605,509	733,407	(265,017)
Transfers between funds		-	(14,109)	14,109	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	158,000	-	158,000	(1,057,000)
Net movement in funds		55,023	216,766	619,618	891,407	(1,322,017)
Reconciliation of funds						
Total funds brought forward		230,695	(2,259,000)	5,364,625	3,336,320	4,658,337
Total funds carried forward		<u>285,718</u>	<u>(2,042,234)</u>	<u>5,984,243</u>	<u>4,227,727</u>	<u>3,336,320</u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		5,989,374		5,500,348
Current assets					
Debtors	13	360,507		135,520	
Cash at bank and in hand		1,104,692		470,188	
		<u>1,465,199</u>		<u>605,708</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(862,440)		(402,159)	
Net current assets			602,759		203,549
Total assets less current liabilities			6,592,133		5,703,897
Creditors: amounts falling due after more than one year	15		(114,406)		(108,577)
Net assets excluding pension liability			6,477,727		5,595,320
Defined benefit pension scheme liability	25		(2,250,000)		(2,259,000)
Net assets			<u>4,227,727</u>		<u>3,336,320</u>
Funds of the academy trust:					
Restricted funds	18				
- Restricted fixed asset funds			5,984,243		5,364,625
- Restricted income funds			207,766		-
- Pension reserve			(2,250,000)		(2,259,000)
Total restricted funds			3,942,009		3,105,625
Unrestricted income funds	18		285,718		230,695
Total funds			<u>4,227,727</u>		<u>3,336,320</u>

The financial statements on pages 23 to 47 were approved by the Governing Body and authorised for issue on 29 November 2017 and are signed on their behalf by:



D Kingston
Chair

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		536,381		199,464
Cash flows from investing activities					
Dividends, interest and rents from investments		140		1,144	
Capital grants from DfE and ESFA		799,328		15,846	
Purchase of tangible fixed assets		(674,199)		(23,901)	
Net cash provided by/(used in) investing activities			125,269		(6,911)
Cash flows from financing activities					
Repayment of other loan		(27,146)		(27,146)	
Net cash used in financing activities			(27,146)		(27,146)
Net increase in cash and cash equivalents in the reporting period			634,504		165,407
Cash and cash equivalents at beginning of the year			470,188		304,781
Cash and cash equivalents at end of the year			1,104,692		470,188

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Advance Learning Partnership (formerly Parkside Academy) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

Basis of preparation

The financial statements of the academy trust 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 financial statements 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Going concern

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

Income

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

Grants

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.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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.

Other income

Other income, including catering income and school trips, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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.

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.

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over 50 years
Assets under construction	Not depreciated
Computer equipment	Straight line over 3 years
Fixtures and fittings	Straight line over 3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

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.

Leased assets

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

Financial instruments

The academy trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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.

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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 reporting date. The amounts charged to net income 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.

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 Directors.

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

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

Termination benefits

Termination benefits that encourage employees to leave service voluntarily are recognised when employees accept the Academy Trust's offer to those benefits. Termination benefits provided as a result of the Academy terminating employment are recognised when the Academy Trust has communicated its plan of termination to the affected employees.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	823,657	823,657	15,846

The income from donations and capital grants was £823,657 (2016: £15,846) of which £823,657 was restricted fixed assets (2016: £15,846).

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,997,396	3,997,396	3,972,887
Other DfE / ESFA grants	-	418,362	418,362	324,938
	-	4,415,758	4,415,758	4,297,825
Other government grants				
Local authority grants	-	21,700	21,700	23,254
	-	4,437,458	4,437,458	4,321,079

The income from funding for educational operations was £4,437,458 (2016: £4,321,079) of which £4,437,458 was restricted (2016: £4,321,079).

Other DfE/ESFA grants are made up of pupil premium. Local Authority grants are in relation to SEN funding. There are no unfulfilled conditions or contingencies for grants recognised in the period.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Lettings income	30,214	-	30,214	19,724
Catering income	147,651	-	147,651	140,481
School trips	37,824	-	37,824	60,984
Other income	-	157,735	157,735	58,172
	215,689	157,735	373,424	279,361

The income from other trading activities was £373,424 (2016: £279,361) of which £215,689 was unrestricted (2016: £221,189) and £157,735 was restricted (2016: £58,172).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest from short term deposits	140	-	140	1,144

The income from funding for investment income was £140 (2016: £1,144) of which £140 was unrestricted (2016: £1,144).

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	160,806	160,806	195,622
Academy's educational operations					
- Direct costs	2,753,436	218,148	184,636	3,156,220	3,228,491
- Allocated support costs	869,967	159,187	555,092	1,584,246	1,458,334
Total support costs	<u>3,623,403</u>	<u>377,335</u>	<u>900,534</u>	<u>4,901,272</u>	<u>4,882,447</u>

The expenditure on raising funds was £160,806 (2016: £195,622) of which £160,806 was unrestricted (2016: £195,622).

Net income/(expenditure) for the year includes:	2017 £	2016 £
Operating lease rentals	8,680	8,680
Depreciation of tangible fixed assets	218,148	224,944
Net interest on defined benefit pension liability	44,000	41,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	9,700	10,896
- Other services	<u>11,000</u>	<u>11,407</u>

8 Charitable activities

	2017 £	2016 £
All from restricted funds:		
Direct costs - educational operations	3,156,220	3,228,491
Support costs - educational operations	<u>1,584,246</u>	<u>1,458,334</u>
	<u>4,740,466</u>	<u>4,686,825</u>

The expenditure on educational operations was £4,740,466 (2016: £4,686,825) of which £4,522,318 was restricted (2016: £4,461,881) and £218,148 was restricted fixed assets (2016: £224,944).

	2017 £	2016 £
Analysis of support costs		
Support staff costs	869,967	738,757
Premises costs	159,187	164,098
Other support costs	494,660	531,739
Governance costs	<u>60,432</u>	<u>23,740</u>
	<u>1,584,246</u>	<u>1,458,334</u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff

Staff costs

Staff costs during the year were:

	2017 £	2016 £
Wages and salaries	2,686,681	2,766,840
Social security costs	274,049	231,119
Operating costs of defined benefit pension schemes	580,000	481,000
Total staff costs	3,540,730	3,478,959
Supply staff costs	73,110	25,232
Staff restructuring costs	9,563	17,178
	3,623,403	3,521,369

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-contractual severance payment of £9,563 (2016: £-).

Staff numbers

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

	2017 Number	2016 Number
Teachers	49	47
Administration and support	50	52
Management	5	5
	104	104

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£110,001 - £120,000	-	1

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff (Continued)

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£120,001 - £130,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £304,904 (2016: £415,358).

10 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Directors.

The value of Directors' remuneration and other benefits was as follows:

L A Davies, the headteacher from 1 September 2016 to 31 December 2016, received remuneration of £38,084 (2016: £111,546 from 1 September 2015 to 31 August 2016) and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the period from 1 September 2016 to 31 December 2016 amounted to £5,846 (2016: £18,383 from 1 September 2015 to 31 August 2016).

L A Davies, the Chief Executive from 1 February 2017, received remuneration of £29,167 and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the period from 1 February 2017 to 31 August 2017 amounted to £4,807.

K Simpson, the headteacher from 1 January 2017 to 31 August 2017, received remuneration of £57,052 for this period and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the year amounted to £7,124.

The annual value of staff governors remuneration was £112,473 (2016: £125,926). Staff directors are accruing retirement benefits under the Teachers' Pension Scheme and the Local Government Pension Scheme. Contributions paid in the year into the Teachers' Pension Scheme amounted to £13,040 (2016: £15,304) and into the Local Government Pension Scheme amounted to £5,053 (2016: £5,005).

During the year ended 31 August 2017, travel and subsistence expenses totalling £20 (2016: £nil) were reimbursed to Directors.

Related party transactions involving the Directors are set out in note 26.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

11 Directors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £500 (2016: £923). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Freehold buildings £	Assets under construction £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 1 September 2016	5,830,963	-	133,927	291,267	6,256,157
Additions	-	704,150	957	2,067	707,174
At 31 August 2017	5,830,963	704,150	134,884	293,334	6,963,331
Depreciation					
At 1 September 2016	479,106	-	80,775	195,928	755,809
Charge for the year	116,619	-	22,973	78,556	218,148
At 31 August 2017	595,725	-	103,748	274,484	973,957
Net book value					
At 31 August 2017	5,235,238	704,150	31,136	18,850	5,989,374
At 31 August 2016	5,351,857	-	53,152	95,339	5,500,348

13 Debtors

	2017 £	2016 £
Trade debtors	74,634	3,950
Other debtors	152,923	36,603
Prepayments and accrued income	132,950	94,967
	<u>360,507</u>	<u>135,520</u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Creditors: amounts falling due within one year	2017 £	2016 £
Salix Loan	27,147	27,147
Trade creditors	567,222	71,172
Other taxation and social security	68,240	55,677
EFA creditors	83,145	77,428
Other creditors	54,568	97,137
Accruals and deferred income (see note 16)	62,118	73,598
	<u>862,440</u>	<u>402,159</u>

Salix funding is being repaid in twice yearly instalments.

15 Creditors: amounts falling due after more than one year	2017 £	2016 £
Salix loan	81,431	108,577
Other creditors	32,975	-
	<u>114,406</u>	<u>108,577</u>

Analysis of loans

Wholly repayable within five years	108,578	135,724
Less: included in current liabilities	(27,147)	(27,147)
	<u>81,431</u>	<u>108,577</u>

Loan maturity

Debt due in one year or less	27,147	27,147
Due in more than one year but not more than two years	27,147	27,147
Due in more than two years but not more than five years	54,284	81,430
	<u>108,578</u>	<u>135,724</u>

Other loans relate to Salix funding which is being repaid in twice yearly instalments.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	18,369	18,369
	<u> </u>	<u> </u>
Deferred income at 1 September 2016	18,369	-
Amounts deferred in the year	-	18,369
	<u> </u>	<u> </u>
Deferred income at 31 August 2017	18,369	18,369
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance in relation to rates relief.

17 Financial instruments	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	113,560	3,950
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	890,237	436,689
	<u> </u>	<u> </u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	-	3,997,396	(3,775,521)	(14,109)	207,766
Other DfE / ESFA grants	-	418,362	(418,362)	-	-
Other government grants	-	21,700	(21,700)	-	-
Other restricted funds	-	157,735	(157,735)	-	-
Pension reserve	(2,259,000)	-	(149,000)	158,000	(2,250,000)
	<u>(2,259,000)</u>	<u>4,595,193</u>	<u>(4,522,318)</u>	<u>143,891</u>	<u>(2,042,234)</u>
Restricted fixed asset funds					
Transferred on conversion	5,197,351	-	(183,687)	-	5,013,664
DfE / ESFA capital grants	2,569	823,657	(28,640)	-	797,586
Capital expenditure from GAG	164,705	-	(5,821)	14,109	172,993
	<u>5,364,625</u>	<u>823,657</u>	<u>(218,148)</u>	<u>14,109</u>	<u>5,984,243</u>
Total restricted funds	<u>3,105,625</u>	<u>5,418,850</u>	<u>(4,740,466)</u>	<u>158,000</u>	<u>3,942,009</u>
Unrestricted funds					
General funds	230,695	215,829	(160,806)	-	285,718
	<u>230,695</u>	<u>215,829</u>	<u>(160,806)</u>	<u>-</u>	<u>285,718</u>
Total funds	<u>3,336,320</u>	<u>5,634,679</u>	<u>(4,901,272)</u>	<u>158,000</u>	<u>4,227,727</u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

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

General Annual Grant - General Annual Grant must be used for the normal running of the Trust. The funding agreement does not include a limit on the GAG available to carry forward.

Other DfE/ESFA Grants - Other DfE/ESFA grants comprise pupil premium targeted at disadvantaged pupils.

Other government grants - Other government grants comprise SEN funding and support for MATs.

Other restricted funds - Other restricted funds include Year 7 Catch up grants, income from staff recharges and a variety of sources, expended in the year.

Pension reserve - The costs and income associated with the defined benefit pension schemes have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

DFE/ESFA Capital Grant - The income relates to capital funding which has been received from the ESFA for utilisation on building improvements and refurbishments.

Inherited funds - This balance is the main school premises and existing computer equipment to be depreciated over their useful economic lives.

Capital expenditure from GAG - The balance represents the total expenditure from GAG. Depreciation is charged to the fund over the life of the related assets.

Unrestricted Funds - Unrestricted funds can be used for any purpose, at the discretion of the Governors, within the objects of the academy trust.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	3,972,887	(3,985,517)	12,630	-
Other DfE / ESFA grants	-	324,938	(324,938)	-	-
Other government grants	-	23,254	(23,254)	-	-
Other restricted funds	-	58,172	(58,172)	-	-
Pension reserve	(1,132,000)	-	(70,000)	(1,057,000)	(2,259,000)
	<u>(1,132,000)</u>	<u>4,379,251</u>	<u>(4,461,881)</u>	<u>(1,044,370)</u>	<u>(2,259,000)</u>
Restricted fixed asset funds					
Transferred on conversion	5,310,781	-	(113,430)	-	5,197,351
DfE / ESFA capital grants	67,962	15,846	(107,920)	26,681	2,569
Capital expenditure from GAG	168,299	-	(3,594)	-	164,705
	<u>5,547,042</u>	<u>15,846</u>	<u>(224,944)</u>	<u>26,681</u>	<u>5,364,625</u>
Total restricted funds	<u>4,415,042</u>	<u>4,395,097</u>	<u>(4,686,825)</u>	<u>(1,017,689)</u>	<u>3,105,625</u>
Unrestricted funds					
General funds	<u>243,295</u>	<u>222,333</u>	<u>(195,622)</u>	<u>(39,311)</u>	<u>230,695</u>
Total funds	<u>4,658,337</u>	<u>4,617,430</u>	<u>(4,882,447)</u>	<u>(1,057,000)</u>	<u>3,336,320</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	5,989,374	5,989,374
Current assets	595,064	221,875	648,260	1,465,199
Creditors falling due within one year	(309,346)	(14,109)	(538,985)	(862,440)
Creditors falling due after one year	-	-	(114,406)	(114,406)
Defined benefit pension scheme liability	-	(2,250,000)	-	(2,250,000)
Total net assets	<u>285,718</u>	<u>(2,042,234)</u>	<u>5,984,243</u>	<u>4,227,727</u>

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	5,500,348	5,500,348
Current assets	230,695	375,013	-	605,708
Creditors falling due within one year	-	(375,013)	(27,146)	(402,159)
Creditors falling due after one year	-	-	(108,577)	(108,577)
Defined benefit pension scheme liability	-	(2,259,000)	-	(2,259,000)
Total net assets	230,695	(2,259,000)	5,364,625	3,336,320

20 Contingent liabilities

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

21 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the financial statements	158,201	-

22 Commitments under operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	8,680	8,680
Amounts due between one and five years	10,850	19,530
	19,530	28,210

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	733,407	(265,017)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(823,657)	(15,846)
Interest receivable	(140)	(1,144)
Defined benefit pension scheme cost less contributions payable	105,000	29,000
Defined benefit pension scheme finance cost	44,000	41,000
Depreciation of tangible fixed assets	218,148	224,944
Movements in working capital:		
(Increase)/decrease in debtors	(200,658)	89,369
Increase in creditors	460,281	97,158
Net cash provided by operating activities	536,381	199,464

24 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.

25 Pension 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 Durham County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £41,536 (2016: £52,502) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

25 Pension and similar obligations (Continued)

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 in 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 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £325,000 (2016: 314,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

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 15.5% for employers and 5.5-11.4% for employees.

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

Total contributions made	2017 £	2016 £
Employer's contributions	150,000	103,000
Employees' contributions	42,000	38,000
Total contributions	192,000	141,000

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

25 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.5	3.4
Rate of increase for pensions in payment/inflation	2.0	1.9
Discount rate for scheme liabilities	2.5	2.0
Inflation assumption (CPI)	2.0	1.9

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	23.2	22.7
- Females	24.9	25.2
Retiring in 20 years		
- Males	25.4	24.9
- Females	27.2	27.5

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

	2017 Fair value £	2016 Fair value £
Equities	959,000	662,000
Government bonds	602,000	491,000
Corporate bonds	168,000	129,000
Cash	83,000	112,000
Property	141,000	121,000
Total fair value of assets	1,953,000	1,515,000

The actual return on scheme assets was £281,000 (2016: £216,000).

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

25 Pension and similar obligations (Continued)

Amount recognised in the statement of financial activities	2017 £	2016 £
Current service cost	245,000	132,000
Net interest cost	44,000	41,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	10,000	-
Total operating charge	299,000	173,000
Changes in the present value of defined benefit obligations		2017 £
At 1 September 2016		3,774,000
Current service cost		245,000
Interest cost		76,000
Employee contributions		42,000
Actuarial loss		91,000
Benefits paid		(35,000)
Plan introductions, benefit changes, curtailments and settlements		10,000
At 31 August 2017		4,203,000
Changes in the fair value of the academy trust's share of scheme assets		2017 £
At 1 September 2016		1,515,000
Interest income		32,000
Return on plan assets (excluding net interest on the net defined pension liability)		249,000
Employer contributions		150,000
Employee contributions		42,000
Benefits paid		(35,000)
At 31 August 2017		1,953,000

ADVANCE LEARNING PARTNERSHIP (FORMERLY PARKSIDE ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

26 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The academy procured professional services (one to one learning support) with a value of £1,422 (2016: £1,134) from the wife of R Wolff, director of the Trust. At the year end £nil was owed.

Key management personnel compensation disclosure is included in note 9.

27 Post balance sheet events

Advance Learning Partnership became a Multi Academy Trust on 22 March 2017. Staindrop Academy joined the trust on 1 October 2017.