

Company Registration No. 07928558 (England and Wales)

ADVANCE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



ADVANCE LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Kingston
D Liddle
K Reynolds
H Armstrong

Trustees

L A Davies (CEO & Accounting Officer until 31 August 2020)
(Resigned 31 August 2020)
J Deller (Chair)
L Thompson (Vice chair) (Resigned 31 March 2020)
S Leech
E Beveridge
M Roe
A Boddy (Appointed 22 November 2019)
A A R Scott (Appointed 22 April 2020)
K Simpson (CEO & Accounting Officer from 1 September 2020)
(Appointed 1 August 2020)

Senior management team

- Chief Executive Officer	L A Davies
- Chief Finance Officer	C Oates
- Deputy CEO	K Simpson

Company secretary

C Oates

Company registration number

07928558 (England and Wales)

Registered office

Advance Learning Partnership
Whitworth Road
Whitworth Lane
Spennymoor
DL16 7LN

Academies operated

Parkside Academy
Staindrop Academy
Hartside Academy
Whitworth Park Academy
Dene Academy

Location

Willington
Darlington
Crook
Spennymoor
Peterlee

Headteacher

K Simpson
K Simpson
S Laws
D Stone
D Nelson

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

ADVANCE LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Advance Learning Partnership Multi Academy Trust was formed in 2017 from Parkside Academy, a Single Academy Trust incorporated in 2012. Advance Learning Partnership currently operates one primary and four secondary academies across County Durham for students aged 2 -16, with a further secondary joining Advance Learning Partnership on 1 September 2020.

As a Trust our main priority is to provide the highest quality of educational experience and outcomes for young people.

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 trustees constituted under a Memorandum of Association and Articles of Association. This Board of Trustees (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, with the DfE, that are in place and the Academies Financial Handbook.

In 2019-20 the Trust had 5 Academies for pupils aged 2 to 16 serving a catchment area across South West Durham. The Trust had a combined pupil capacity of 3,953 and a combined roll of 2,921 as per the October 2019 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Trust.

The trustees of Advance Learning Partnership are also directors of the company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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 Trustees 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 Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees 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 Trustees in their capacity as Trustees.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

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

The members may appoint up to nine Trustees through such process as they may determine. The total number of Trustees who are employees of the Trust shall not exceed one third of the total number of Trustees.

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

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for Trustees and new governors depends on their existing experience. Where necessary, induction is provided with training on charity, educational, legal and financial matters. All new governors are given a tour of the relevant academy and a chance to meet with the staff and the students. All Trustees and governors are provided with access to policies, procedures, minutes, accounts, budget plans and other documents they will need to undertake their role.

Organisational structure

The Trusts governance structure consists of three levels:

- Members
- Trustees
- Academy Councils

The aim of the layered structure is to devolve responsibility as appropriate and encourage decision making at all levels.

The organisation 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.

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 Board supports the Accounting Officer in the performance of their duties. The Trustees are responsible for setting general policy, adopting an annual plan and the 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 (ALP) Board.

The Board of Trustees have devolved responsibility for day-to-day management of the Trust to the Senior Management Team. The Senior Management Team along with the Headteachers and Senior Leadership Team (SLT) of each Academy implement the policies laid down by the Trustees and the Academy Councils and report back to them on performance.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees ensures that the process of determining the remuneration of Key Management Personnel is fair and transparent. Employees at Trust level are employed on the same terms and conditions of employment as teaching / support staff, dependent on their role.

The Key Management Personnel are the Senior Management Team set out on page 1.

The pay and remuneration of the Chief Executive Officer, Deputy Chief Executive Officer and the Chief Financial Officer is set by the Board of Trustees following a performance management cycle taking account of the scope of the role and benchmarking the salary to similar sized roles and Trusts.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	3.96

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

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

Related parties and co-operation with other organisations

The Trust is not part of any wider network or federation. Related party transactions are disclosed in note 27. ALP did not cooperate with other organisations in the year 2019-20. Advance Learning Partnership have been working with Wolsingham School ahead of them joining the Trust on 1 September 2020.

Engagement with employees (including disabled persons)

The commitment and dedication of our employees is essential for us to deliver on our vision of the highest quality of educational experience for our students.

Trust and Academy leaders engage with employees in a variety of means both formally and informally at school level and also at Trust level through network meetings, teach-meets and conferences. Employees have the opportunity to engage with and work with colleagues across the ALP family of schools both formally and informally. This ensures that employees are fully consulted on a regular basis so the views of our employees can be taken into account in making decisions which are likely to affect their interests.

We continue to engage with our employees to ascertain the training and development opportunities to be made available to our employees. We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the Trust.

The Board are updated regularly on staff performance and the personal development programmes in place to develop, retain and recruit employees through our succession and talent management strategy.

We encourage employee involvement in discussions regarding Trust performance, financial and economic matters. Each school has an Academy Council with employee representation. Employees are able to influence and shape decisions that affect them for example, policies on pay determination and performance management.

The Trust has a range of policies and procedures in place to ensure equal opportunities for all employees. Examples of good practice include:

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

- Risk assessments carried out for staff with disabilities or medical conditions.
- Changes to equipment and working conditions for members of staff with disabilities.
- Maternity, paternity, shared parental, adoption leave arrangements in place; including paid time off work to attend appointments.
- Time off work for religious requests.
- Monitoring of staff disciplinary, capability, grievance and redundancy policies to ensure an equal process for all.
- A Trust Pay Policy that helps to provide equality of opportunity by ensuring decisions on pay are managed in a fair, just and transparent way.

The Trust will ensure all vacancies advertised will promote a commitment to equality, diversity and inclusion.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Advance Learning Partnership's main priority is to provide the highest quality of educational experience for students by securing rapid and sustained improvement whilst delivering the very best educational outcomes for students within the ALP family of schools.

In setting the strategic direction of the Trust, the Trustees and Executive Management Team must also take into account the principal risks facing the business.

Decision-making

The Trustees must take into account the views and interests the wider stakeholders when making decisions. During the year the Board receives information to enable them to consider the impact of the Trust's decisions on its key stakeholders. This information is distributed in a range of different formats, including through reports and presentations on academic, financial and operational performance, key performance indicators and risk.

When making decisions the Trustees take into consideration the Trust's vision and values, together with its strategic priorities and any potential risks for students, staff and other stakeholders including suppliers and the community, together with what they believe is in the best interests of the Trust.

Long-term sustainability

As is normal for large companies, we delegate authority for day-to-day management of the Trust to Executive Leadership and then engage the leadership in setting, approving and overseeing the execution of the Trusts strategy and related policies.

The long-term sustainability of the Trust is at the forefront of decision-making, particularly in response to the challenging education funding conditions, Trust growth, School Improvement and, most recently, the Coronavirus pandemic.

Stakeholders

Our key stakeholders are our students and employees, who are at the heart of our core purpose. The impact of the company's activities on our stakeholders, including our colleagues, customers and suppliers is an important consideration when making decisions. Other key stakeholders are the producers and suppliers who we purchase goods and services from, and the communities in which we operate.

Students

Students are at the centre of our business.

The Board receives regular reporting on student outcomes and student related strategic initiatives throughout the year. The Board closely monitors the metrics and engages with the Executive Leadership to understand the issues of the school's performance levels. This is also reflected at the relevant Academy Council.

The Board continues to monitor and review developments concerning changes to the Trusts ICT platforms and systems. We have improved the engagement with students this academic year with improvements and investment in a Trust wide collaborative VLE platform, which has enabled an enhanced delivery of teaching and learning including 'live lessons' via technological means during lockdown and the ongoing pandemic.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Suppliers

We operate in conjunction with a wide range of suppliers to source the best resources for our Trust. We remain committed to being fair and transparent in our dealings with all suppliers. The Trust has systems and processes in place to ensure suppliers are paid in a timely manner.

Community and environment

The Trust is committed to giving back to the community in which it operates. Our aim is to enhance the life chances of the young people and families in the communities we serve.

We are committed to reducing our carbon footprint wherever possible. Sustainability runs through all aspects of our business, from energy saving and recycling to resources sharing policies in our schools, and ultimately flowing into the education we provide for our students.

Business Conduct

The Trust aims to conduct all its business relationships with integrity and courtesy. The Board recognises that culture, values and standards are key contributors to how a Trust creates and sustains value over the longer term, and to enable it to maintain a reputation for high standards of business conduct.

High standards of business conduct guide and assist in the Board's decision making, and in doing so, help promote the Trust's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations.

Acting fairly as between members of the Company

The Trustees consider which course of action best enables delivery of the Trust strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Trustees act fairly as between the Trust's members but are not required to balance the Trust's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

OBJECTIVES AND ACTIVITIES

Objects and aims

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 and stimulating environment that challenges children daily to reach their potential.

Objectives, strategies and activities

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 Trust. The aims of the Trust during the year ended 31 August 2020 are summarised below:

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Outcomes	
Schools to demonstrate significant progression in academic outcomes year on year.	<ul style="list-style-type: none"> • All schools to be above the national 0.0 P8 score. • Schools to demonstrate at least a 0.1 P8 improvement.
All academies enabled to reach good or better outcomes for students.	
Academy Improvement	
Continue to develop capacity and high quality leadership across all ALP schools through outstanding leadership development and recruitment at all leadership levels.	<ul style="list-style-type: none"> • Development of all staff as leaders to raise academic outcomes. • Pedagogy and formative assessment to lead to rapid progress of disadvantaged and high attainment on entry student groups.
Leadership	
To establish a self-sustaining, system led, collaborative approach to improvement.	<ul style="list-style-type: none"> • Development of fully-functioning, high level Trust Board that represents the full range of skills required. • Embedded high quality governance at Academy Council level, focused clearly on raising standards. • Development of succession plan to identify individuals with potential to be future leaders and managers.
Personnel	
To improve staff and student well-being, improving staff recruitment, retention and attendance along with student attendance and engagement.	<ul style="list-style-type: none"> • All school subjects, staff with specialist delivery. • Internal leadership promotions recruited internally to increase ALP capacity. • All schools working towards achievement of National Wellbeing Award.
Business	
To strengthen the Trust and ensure future sustainability and efficiency.	<ul style="list-style-type: none"> • Clearly developed central services functions and staffing structures to manage school improvement, finance, HR and business functions efficiently and effectively. • Financial forecasts demonstrate stability and sustainability for all Academies across the Trust as a whole. • Financial planning facilitates effective decision making.

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 Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust 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.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Advance Learning Partnership Multi Academy Trust is now in its fourth year of operation and has continued to go from strength to strength. Dene Community School joined the Trust in September 2019, bringing membership to four secondary and one primary school. Wolsingham School joined the Trust in September 2020.

During the academic year 2019-20, ALP has strengthened and extended the Central Services Team, creating further capacity to increase back office support to ALP academies, producing greater efficiencies and cost savings across all schools.

This year staff development has been a core aim for the progression of the Central Services function. The Trust has introduced a comprehensive leadership package along with a bespoke development programme for all Central Services Managers. A similar programme will be introduced in the next academic year for all Central Services Staff.

The School Improvement Team has been further strengthened through thematic leadership and outstanding leadership opportunities, which has created additional capacity not only to support our current academies, but to meet the future needs of a growing Trust.

The Trust continues to strengthen its governance structures and build on the training programme which was introduced in 2018-19. An external audit of ALP's governance arrangements identified governance as a strength of the Trust.

Another key focus this year was to enhance ALP's Collaboration Network both internally and externally. Over the academic year ALP has actively engaged in collaboration with a number of independent multi academy trusts to build relationships and ensure that best practice across governance, finance and school improvement are achieved. Internal collaborations amongst ALP colleagues has been significantly enhanced through the use of technology and training networks.

ALP was successful in securing Condition Improvement Funding for three schools, to the value of £1.3M. Alongside this capital improvement, the Trust continues to invest in and develop our school estates. In 2019-20 there has been a continued focus on Staindrop Academy with further internal and external improvement works, funded from school reserves.

Promoting the success of the charitable company

The Advance Learning Partnership's main priority is to provide the highest quality of educational experience for students by securing rapid and sustained improvement whilst delivering the very best educational outcomes for students within the ALP family of schools.

In setting the strategic direction of the Trust the Trustees and Executive Management Team must also take into account the principal risks facing the business.

In accordance with section 172 of the Companies Act 2006, each of our Trustee's acts in the way he or she considers, in good faith and would most likely promote the success of the Trust, to achieve its charitable purpose. The Trustees have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

Further details of the principal decision taken by the Trust can be found in the section "engagement with employees (including disabled persons)" and "engagement with suppliers, customers and others in a business relationship".

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Covid-19

The Trust schools have faced major disruption to their normal operations this year due to the national lockdown and the 'partial' closure of schools in March 2020. The schools remained open for the children of key workers, the amount of children accessing school on a daily basis varied from 0 up to at the most around 10. Staff have continued to work from home where possible, and students have continued to access learning through a blend of 'live lessons', and 'set work' or project based learning.

Digital technologies have been deployed and utilised across student, staff and community networks. Technologies have significantly enhanced student access to education and engagement in new teaching and learning. The Trust has invested substantially in new technologies in all schools and core services, a particular focus this year was enhancing student learning and staff development through the introduction of a single VLE platform across all schools.

The enhancements to ICT technologies have enabled continued access to quality teaching and learning for students throughout the period of national lockdown from the Covid pandemic. ALP is continuing to invest in ICT technologies to ensure every student is able to access and engage in lessons, and students have had continued access to learning in the event of a period of isolation or further regional or national lockdowns.

Financial review

Most of the Trust'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 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2020 total expenditure of £20,238,974 (2019: £15,244,344) was incurred. The excess of total income over expenditure for the year (prior to other gains/losses) was £13,871,650 (2019: £13,217,306), this surplus includes depreciation of £1,178,528 (2019: £763,598), capital funding of £1,363,594 (2019: £866,532) and donations from transfers into the Trust of £13,102,900 (2019: £12,698,189), which leaves a surplus of £583,684 (2019: £416,183).

At 31 August 2020 the net book value of fixed assets was £44,243,853 (2019: £29,372,621) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Included within the balance sheet is a pension deficit of £10,498,000 (2019: £7,174,000). The increase is due to transfer of the pension deficit in relation to the new school joining and a change in the discount rate from 1.9% to 1.7%, and a change in the rate of inflation from 2.0% to 2.3%. The future contribution rates (disclosed in note 25) are making good the deficit.

Going concern

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

Financial and risk management objectives and policies

The Trust has minimal exposure to financial instruments, utilising only cash, debtors and creditors.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

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.

Total reserves are £37,466k of which £45,083k is represented by the fixed asset fund; £10,498k by the pension deficit, £2,464k restricted general funds and £416k of unrestricted reserves.

The Board of Trustees 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 Trustees have determined that the appropriate level of free reserves should be equivalent to 8 weeks expenditure which equates to approximately £3.1m. The current level of available reserves are £2.9m. The trustees consider it appropriate to include the restricted and unrestricted general funds as they are both available to assist in the furtherance of the charitable objectives of the trust. 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 reserves amount will be reviewed annually to account for new academies joining the Trust.

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 cash surplus 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 the current students.

Key performance indicators

Outcomes for Learners

KS4

Due to the impact of the national pandemic exam outcomes for the summer 2020 exams series have taken a different format this academic year. The advice for schools was to use evidence in conjunction with previous years' subject data to submit centre assessed grades for students.

These grades were initially to be verified or scaled using a statistical model produced by Ofqual; however, it was later decided the centre-assessed grades, or higher grade using the statistical model, would be used for both GCSE and vocational grading.

The 2020 results data will not be published nationally. External reports (e.g. IDSR and ASP) will not be released this year.

ALP performs internal analysis using a range of internal assessment measures across the academic year, the analysis shows all ALP secondary schools have made progress from the 2019 position on the majority of attainment headline measures.

KS2

Primary school SAT's assessments were also cancelled due to the pandemic. Analysis of the internal data for Hartside Academy shows progress in their scaled scores and an increase in the students achieving expected standards if they had taken place.

Prior to Covid attendance at all ALP schools is in line or above national figures and student exclusions remain in line or below national figures.

ALP continues to ensure there is a rigorous school improvement programme in place in all schools for example, governor training, regular internal Quality Assurance reviews, robust line management procedures and use of external monitoring procedures. The majority has continued throughout lockdown and adaptations made where necessary to make use of ICT and Microsoft Teams as a digital meeting venue.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Financial Key Performance Indicators

The Trust continue to develop its key financial indicators. These KPI's cover both financial and non-financial targets.

Annual Operating Surplus

The academies will be targeted with producing an annual budget which provides at least 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 Trust and its work;
- Releasing funds into revenue budgets for furtherance of a school's objectives assigning funds to appropriate designated reserves.

Key Performance Indicator	2017-18	2018-19	2019-20
Pupil Numbers	1,495	2,906	2,934
Total Staff Costs to GAG Income	0.81	0.79	0.94
Total Staff Costs to Total Income	0.71	0.67	0.72
Total Staff Costs to Total Expenditure	0.71	0.72	0.75

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

In the last academic year Dene Academy joined the Trust on 1 September 2019, the Trust has also been working with Wolsingham School in the lead up to its conversion on 1 September 2020.

For the academic year 2020-21 year the Trust will continue to prioritise raising standards of progress and attainment for all students in all academies.

The Trust is also seeking to expand the number of academies within the multi academy trust over the next five years. This is in line with the Trust's strategic ambitions to develop a sustainable MAT model based on geographical clusters incorporating schools from 2-19.

The Trust has set the following strategic priorities over the next three years:

Strategic Priority	Implementation / Impact
Continuing to build on the Trust foundations	<ul style="list-style-type: none">• Vision and values and guiding principles• Strong financial control• Strong, effective governance• Increasing capacity in proportion to need• Improving outcomes for children and young people
Trust operations	<ul style="list-style-type: none">• A balanced corporate vision of centrally driven challenge and support• A highly effective team of professional and technical experts• Building capacity for improvement• Continued development of centralised systems and structures
Ensuring Excellence	<ul style="list-style-type: none">• Recruiting, developing and retaining talented staff• Sharing best practice across ALP• A culture of purposeful learning• Encouraging, assessing and scaling up innovation• Staff engagement in professional development activities enabling them to develop skills which have a demonstrable impact on teaching and learning• Collaboration with other multi academy trusts to ensure best practice across governance, finance and school improvement
Purposeful Growth	<ul style="list-style-type: none">• Strategic growth at an appropriate pace• Enhancement of staff retention and promotional opportunities• To keep under review, the Executive Management Team structure and composition to ensure sufficient capacity to meet growth demands and is entirely robust across the Trust• Expand the number of academies in the Trust through collaboration and through building a reputation for delivering a high quality education
Sustainability	<ul style="list-style-type: none">• Financial planning integrated into the Trusts overall strategy for its schools• A robust Curriculum and Financial Planning model directing efficient and effective use of staffing and resources• Robust and accountable governance framework• Succession and talent management strategy

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Principal 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 Trustees 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 Trustees 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 exposure profile that reflects the Trustees views as to levels of acceptable risk
- 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 main risks facing the Trust are:

Risk	Mitigation
Not delivering improved outcomes for students	<ul style="list-style-type: none"> • Investment in resources to deliver school improvement • Review and revision to the approach to performance monitoring
Covid-19 Pandemic leads to second school closure and/or national / regional lockdown	<ul style="list-style-type: none"> • ICT strategy for remote teaching and learning • Detailed curriculum and staffing plans to ensure access to continued learning for all students both in school and distanced learning.
Covid-19 Outbreak in School	<ul style="list-style-type: none"> • Robust cleaning and hygiene measures in place in all schools. • School zoning plans to limit transfer between year groups. • Adherence to PHE guidelines. • Risk assessments in place to limit the risk.
Financial challenges due to changes in funding	<ul style="list-style-type: none"> • Robust budget setting processes, supported by the application of the Reserves Policy. • A coherent curriculum and financial planning model to ensure resources are deployed effectively.
Managing growth to ensure continued improvement for all academies	<ul style="list-style-type: none"> • Detailed assessment of potential growth opportunities, including the impact on the Trust's existing academies. • Strategic Growth Plan.
Failure to recruit and retain high calibre individuals in key roles	<ul style="list-style-type: none"> • Continue to develop CPD programme for in-house talent • Talent Management and Succession Strategy.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Fundraising

Academies within the Trust may undertake annual fundraising activities to support local or national charities. This will often be determined by the work of the student leadership teams and student council in the form of responding to a local or national campaign or to a tragedy in the local community.

Any planned fundraising activities will be regulated by the Senior Leaders in the individual academy and the Trust Central Finance Team to ensure that they conform to recognised standards.

When undertaking fundraising activities, the Trust is committed to protecting the public, including vulnerable people from unreasonable pressure or demands to donate. This is regularly reinforced with leaders across the Trust.

The quality assurance/monitoring of the fundraising activities is undertaken by the Executive Leaders within line management meetings.

For the reporting period, there have been no fundraising complaints brought to the attention of the Leaders/Governors/Trustees across the Trust. The Trust does not utilise the services of an external fundraiser.

Streamlined energy and carbon reporting

September 2019 to August 2020

The Advance Learning Partnership (ALP) is a Multi Academy Trust based in County Durham. It's aim is to give children and young people from all backgrounds an outstanding education. The Trust is made up of five schools. It works to ensure pupils acquire the values, skills, knowledge and understanding to prepare them for success both in the classroom and beyond.

Academies that make up the Partnership:

- Parkside Academy
- Dene Academy
- Hartside Primary Academy
- Staindrop Academy
- Whitworth Park Academy

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implements the government's policy on Streamlined Energy and Carbon Reporting (SECR). This requires the Trust to report on its energy use for the 12 months from 1st September 2019 to 31st August 2020.

For this period the ALP will report:

- its annual UK energy use (in kWh), as a minimum relating to gas, purchased electricity and transport fuel and associated greenhouse gas emissions (in tonnes of carbon dioxide equivalent (CO₂e));
- an emissions intensity ratio chosen by the academy trust. Intensity ratios compare emissions data with an appropriate business metric or financial indicator, such as pupil numbers, to allow comparison over time or with other organisations;
- the methodologies used to calculate the required information;
- a narrative of measures taken to improve energy efficiency in the period of the report.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Annual Energy Use

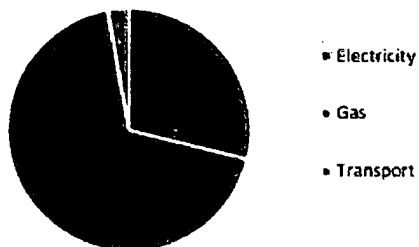
This chart details the energy use across the ALP. All units have been converted into kWh, and then emissions generated shown as Carbon Dioxide equivalent, a standard unit in energy management.

Fuel Type	Fuel Use	Emissions
	kWh	kgCO ₂ e
Electricity (Grid)	1,029,884	240,107
Natural Gas	3,354,964	616,877
Average car (unknown fuel)	174	43
Small diesel car, up to 1.7 litre	5,640	1,441
Small petrol car	1,549	374
Medium diesel car	1,201	306
Medium petrol car	6,456	1,556
Large diesel car	79,795	20,302
Large petrol car	9,627	2,318
Electricity Transmission & Distribution	1,029,884	20,649
Total		903,975
Total (tonnes)		904

In delivering educational services ALP generated the equivalent of 904 tonnes of carbon dioxide.

This pie chart shows the carbon emissions by fuel type. The majority of the emissions are from gas used to heat the buildings.

Emissions source

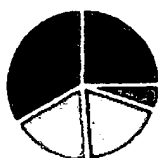


ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

The following pie chart shows each Academy's contribution to the overall total (not including emissions from transport).

Emissions per Academy



- Dene Community School (Academy)
- Hartside Primary School (Academy)
- Parkside School (Academy)
- Staindrop School (Academy)
- Whitworth Park School & 6th Form College (Academy)

Intensity Ratio

The intensity ratio is how much carbon dioxide is generated by ALP shared between the number of pupils taught- how much carbon generated to teach each pupil. It allows comparisons over time where pupil numbers may fluctuate.

In the 2019 year, ALP had a total of 2,971 pupils. That gives a carbon intensity of 304kg of carbon dioxide equivalent per pupil.

This is the first year that ALP have completed their SECR so no historical comparisons are possible.

Looking across the MAT, the intensity ratios per Academy are as follows:

Academy	Intensity Ratio (kg CO2 per pupil)
Dene Academy	343.8119
Hartside Academy	191.7371
Parkside Academy	182.8089
Staindrop Academy	383.2088
Whitworth Park Academy	373.3607

Note: There can be many reasons why different schools generate more carbon per pupil and the data should be looked at in context of the school's operating environment. This context is perhaps even more important this year, where schools have been affected by Covid-19 differently.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

Actions taken during the reporting period

In the past 12 months the Academy Trust have taken the following actions:

In August, it engaged Durham County Council to provide Energy Management Services through a service level agreement. This provides the staff at the Trust with day+1 data on our energy use across the building estate through an energy portal allowing staff to maintain oversight on consumption.

When classes resume in September, it will also provide us with face to face engagement with school energy specialists who will help us engage with staff and pupils on energy issues. Virtual engagement can be arranged if restrictions prevent in-school activities.

The schools in the Trust (except Parkside and Staindrop Academies) procure their electricity through Durham County Council's contract which comes from 100% renewable sources. However, in line with best practice we have used standard greenhouse gas emission factors for our calculations.

A number of Academies have had repairs and maintenance works completed:

- Hartside Primary Academy and Whitworth Park Academy have had their Display Energy Certificates renewed.
- Dene Academy has had a new roof installed and three new condensing boilers installed.
- Parkside Academy has had a new roof fitted
- Staindrop Academy has renewed its electrical wiring and installed new light fittings

Methodology

This report has been prepared by Rosalind Farrow and Stephen Beresford from Durham County Council's Energy Management Team. They have many years experience in energy management and reporting, producing the key documentation and monitoring protocols used in Durham County Council's carbon management programme.

The data (01/09/2019-31/08/2020) from utilities has been collated from the energy management tool, Systemslink. The report uses Invoice data, which is primarily collected automatically through half hourly meters supplemented by regular physical meter reads.

Parkside and Staindrop Academies are not on the same energy contract as the other schools in the MAT, therefore energy data has been taken from separate invoice records and incorporated into the calculations.

Data on transport has been collated by the school from records of mileage claimed by staff or from fleet records. This information was converted into kWh and then multiplied by the relevant Carbon Factors from BEIS using the 2020 dataset.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

Summary/Statement

Advance Learning Partnership has just begun tracking its emissions for SECR. This report highlights the key areas where carbon emissions are generated and we will share the results with key staff and interested parties. We look forward to comparing our results in future years and reducing our impact on climate change.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as Custodian Trustee on behalf of others.

ADVANCE LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

AUDITOR

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

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 8/12/20 and signed on its behalf by:


.....
J Deller
Chair

ADVANCE LEARNING PARTNERSHIP

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Advance Learning Partnership 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and the in Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
LA Davies (CEO & Accounting Officer until 31 August 2020) (Resigned 31 August 2020)	7	7
J Deller (Chair)	7	7
L Thompson (Vice chair) (Resigned 31 March 2020)	3	3
S Leech	4	7
E Beveridge	3	7
M Roe	4	7
A Boddy (Appointed 22 November 2019)	6	6
AA R Scott (Appointed 22 April 2020)	3	4
K Simpson (CEO & Accounting Officer from 1 September 2020) (Appointed 1 August 2020)	0	0

Governance reviews

Trustees have maintained close oversight of the Trust's policies and procedural arrangements and have appraisals to monitor and review the effectiveness of key areas of both the Trust and individual academies such as, safeguarding procedures, financial management, equality and diversity, attendance and behaviour as well as curriculum subject areas.

The systems and procedures for reporting to Trustees and Academy Council Governors are implemented using a bespoke online platform where Trustees/Governors can access information in a timely manner. The system ensures streamlined governance reporting procedures and compliance with data protection and will continue to be enhanced and developed to maintain effective governance for the trust and any growth.

All Academies have the same format of data collection and reporting, this enables the Board to have a consistent approach to scrutiny and challenge and the ability to compare the performance and development of the academies across the Trust.

A self-evaluation governance exercise is undertaken annually by Trustees, the review confirmed the Board to be constituted with a wide range of experience and expertise which has enable Trustees to exercise effective control and strong challenge.

A full self-evaluation is undertaken by the Board of any new academy council joining the Trust to establish the experience, expertise and effectiveness of the council and to inform of any training needs that may be required to enhance the skills of the Governors.

ADVANCE LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

Trustees and Governors have access to the National Governance Association where specific training can be undertaken in order to improve the skills and understanding they need to deliver effective governance. Trustees and Governors also have access to the National Governance Association Membership area which provides access to a wealth of governance resources and tools to support those in governance roles.

In 2019-20 the trust offered a termly bespoke training programme for Trustees and Governors, delivered by Trust Senior Leaders. This training was welcomed by Trustees and Governors and it also resulted in some additional strands being created, thus creating more sessions.

Due to the success of the ALP Governance programme in 2019-20, the trust will offer an enhanced governance programme for 2020-21. This will take place half termly and will be presented by Trust personnel and specialists such as NGA and an HMI.

The training will take into account the DfE Competency Framework, and using skills audits/ self-review governance end of year session to help inform the training programme for the following academic year.

In July 2020, the trust commissioned an external audit of the Trust Governance arrangements. Durham County Council Internal Audit and Risk Management Division were asked to provide an opinion on the adequacy of the key governance arrangements in place across ALP in order to manage the associated risks effectively. Conclusion was the trust had substantial level of assurance and that the control framework and procedures in place are effective in managing the associated risks. The governance framework arrangements operating were found to be effectively and no potential future scalability issues were identified. Governance reviews will continue to take place in accordance with the guidance in the Academies Financial Handbook.

The Trust is growing and whilst income is not in excess of £50 million, an audit committee has been formed. The members are E. Beveridge, M. Roe and A. Boddy. The committee met for the first time in November 20, and agreed its terms of reference, which is to cover:

- Maintaining oversight of the Trust's financial, governance, risk management and internal control systems;
- Trust structure including the acquisition of new Academies and a review of the related risk and due diligence processes;
- Appointment or re-appointment of the Trust's internal and external auditor's.

Review of value for money

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

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

Improving educational results:

To ensure that standards are continually raised each academy operates a programme of lesson observations with a robust coaching, mentoring and support system in place. This ensures the quality of teaching through systematic review and targeted intervention with under-performing staff.

The Trust has focused on improving the quality of school leadership and governance through a bespoke Continual Professional Development Programme to support and enhance professional development at all stages and through succession planning, drawing on the talents of the personnel within the family of schools.

Data collection, analysis and reporting has been a significant focus this academic year. Systems and procedures have been significantly improved through the introduction of a Data Analyst to the Central Services Function.

ADVANCE LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

Curriculum Led Financial Planning:

The Trust has been working with individual academies to ensure that the staffing structures are developed to support curriculum and financial planning, this has produced greater financial efficiencies and enhanced the financial planning and budget setting process.

The Trust will continue to develop its approach to Integrated Curriculum and Financial Planning over the next academic year.

Financial efficiency:

The Trust financial management is performed through a centralised service, the financial controls and procedures continue to be developed and enhanced.

Trustees play an active role in overseeing financial decisions and evaluate decisions taken in light of their impact on pupil achievement.

Contracts are reviewed on a regular basis to ensure they are still required, fit for purpose and provide best value.

As the Trust has increased in size it has been possible to negotiate improved terms and conditions across a number of mutual contracts and agreements with suppliers. As other schools join the Trust we continue to explore cost savings as a result of increased purchasing power and economies of scale by sharing resources where possible.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Advance Learning Partnership for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is 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 2020 and up to the date of approval of the annual report and financial statements.

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 Trustees;
- regular reviews by the Board of Trustees 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

GOVERNANCE STATEMENT (CONTINUED)

In addition to the trustee reviews, reviews were undertaken by organisations external to the Trust covering the following areas:

- GDPR & Data Compliance
- ICT – Access Management
- Regularity, governance & compliance

The findings and recommendations were not significant and gave assurance over the systems and processes in place.

The Board of Trustees has considered the needs for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees appointed L Thompson, a Trustee, to perform a range of checks on the Trusts financial and safeguarding systems. L Thompson resigned in March 2020 and A Boddy was appointed by the Trustees to take over this role. No significant issues were identified.

Review of effectiveness

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

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

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

Approved by order of the Board of Trustees on 8/12/20 and signed on its behalf by:


J Deller
Chair


K Simpson
CEO & Accounting Officer from 1 September 2020

ADVANCE LEARNING PARTNERSHIP

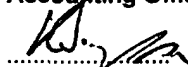
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Advance Learning Partnership, I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the 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 2019.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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

K Simpson
Accounting Officer



8/12/20

ADVANCE LEARNING PARTNERSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the trustees of Advance Learning Partnership for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction published 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 8/12/20 and signed on its behalf by:



J Deller
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE LEARNING PARTNERSHIP

Opinion

We have audited the financial statements of Advance Learning Partnership (the "charitable company") for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report, included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCE LEARNING PARTNERSHIP (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 or the Strategic Report, included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees 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.

Use of our report

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

RSM UK Audit LLP

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
.....11/12/20.....

ADVANCE LEARNING PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	1,363,594	1,363,594	866,532
Donations - transfer from local authority	29	-	(1,950,572)	15,053,472	13,102,900	12,698,189
Charitable activities:						
- Funding for educational operations	4	-	18,650,616	-	18,650,616	13,901,365
Other trading activities	5	740,335	239,935	-	980,270	994,011
Investments	6	13,244	-	-	13,244	1,553
Total		753,579	16,939,979	16,417,066	34,110,624	28,461,650
Expenditure on:						
Raising funds	7	731,339	-	-	731,339	722,567
Charitable activities:						
- Educational operations	8	-	18,329,107	1,178,528	19,507,635	14,521,777
Total	7	731,339	18,329,107	1,178,528	20,238,974	15,244,344
Net income/(expenditure)		22,240	(1,389,128)	15,238,538	13,871,650	13,217,306
Transfers between funds	18	-	(395,347)	395,347	-	-
Other recognised gains/(losses)						
Remeasurement of net defined benefit obligation	25	-	(766,000)	-	(766,000)	(1,614,000)
Net movement in funds		22,240	(2,550,475)	15,633,885	13,105,650	11,603,306
Reconciliation of funds						
Total funds brought forward		438,931	(5,483,369)	29,404,943	24,360,505	12,757,199
Total funds carried forward		461,171	(8,033,844)	45,038,828	37,466,155	24,360,505

ADVANCE LEARNING PARTNERSHIP**BALANCE SHEET****AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	44,243,853		29,372,621	
Current assets					
Debtors	14	1,801,122		660,909	
Cash at bank and in hand		4,188,433		3,503,793	
		5,989,555		4,164,702	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,225,321)		(1,935,575)	
Net current assets		3,764,234		2,229,127	
Total assets less current liabilities		48,008,087		31,601,748	
Creditors: amounts falling due after more than one year	16	(43,932)		(67,243)	
Net assets before defined benefit pension scheme liability		47,964,155		31,534,505	
Defined benefit pension scheme liability	25	(10,498,000)		(7,174,000)	
Total net assets		37,466,155		24,360,505	
Funds of the Trust:					
Restricted funds	18				
- Restricted fixed asset funds		45,038,828		29,404,943	
- Restricted general funds		2,464,156		1,690,631	
- Pension reserve		(10,498,000)		(7,174,000)	
Total restricted funds		37,004,984		23,921,574	
Unrestricted income funds	18	461,171		438,931	
Total funds		37,466,155		24,360,505	

The financial statements on pages 28 to 54 were approved by the Board of Trustees and authorised for issue on 8/12/20 and are signed on their behalf by:


J Deller
Chair

ADVANCE LEARNING PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23	1,037,524		1,674,341	
Cash funds transferred on conversion		21,659		562,844	
		<u>1,059,183</u>		<u>2,237,185</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		13,244		1,553	
Capital grants from DfE Group		186,977		512,032	
Purchase of tangible fixed assets		(553,754)		(807,422)	
		<u>(353,533)</u>		<u>(293,837)</u>	
Cash flows from financing activities					
New other loan		18,421		-	
Repayment of other loan		(39,431)		(37,597)	
		<u>(21,010)</u>		<u>(37,597)</u>	
Net increase in cash and cash equivalents in the reporting period		<u>684,640</u>		<u>1,905,751</u>	
Cash and cash equivalents at beginning of the year		3,503,793		1,598,042	
Cash and cash equivalents at end of the year		<u><u>4,188,433</u></u>		<u><u>3,503,793</u></u>	

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

General information

Advance Learning Partnership 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 Trustees' 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 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The 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 Trust.

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

Going concern

The Trustees assess whether the use of going concern is appropriate. The trustees have considered the following:

The trust had total funds of £37,466k as at 31 August 2020 (2019: £24,361k) and a year-end cash balance of £4,188k (2019: £3,504k).

As a result of the Covid-19 pandemic, the three-year forecasts have been updated to factor in the expected level of income and expenditure to confirm that the trust has sufficient funds and cash for the organisation to continue for at least 12 months from the date these financial statements are signed. The majority of the 20/21 forecasted income has been taken from confirmed allocations with the forecasted 21/22 income to remain at a similar level. The forecasted expenditure is expected to remain at a similar level to 19/20 (after taking into account the new school that joined the Trust after the year end (note 28)).

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

School transfer

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

The assets and liabilities transferred on conversion of Dene Community School to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Income

All incoming resources are recognised when the 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.

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 when performance conditions are met 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 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 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 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 Trust apportioned to charitable activities.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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.

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:

Land and buildings	Straight line over 10 - 50 years
Assets under construction	Not depreciated
Computer equipment	Straight line over 3 years
Fixtures and fittings	Straight line over 3 - 10 years
Motor vehicles	Straight line over 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated cost 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 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 under operating leases are charged on a straight line basis over the lease term.

Financial instruments

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the 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.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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 Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 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 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 credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employees. Consequently, 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.

The LGPS is a funded multi-employer scheme and the assets are held separately. 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, as other comprehensive income.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Trust's offer to those benefits. Termination benefits provided as a result of the Academy terminating employment are recognised when the Trust has communicated its plan of termination to the affected employees.

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 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £	Total 2019 £
Capital grants	-	1,363,594	1,363,594	866,532

The income from donations and capital grants was £1,363,594 (2019: £866,532) of which £1,363,594 was restricted fixed assets (2019: £866,532).

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	16,195,890	16,195,890	12,406,513
Other DfE group grants	-	2,235,171	2,235,171	1,145,710
	-	18,431,061	18,431,061	13,552,223
Other government grants				
Local authority grants	-	219,555	219,555	349,142
	-	18,650,616	18,650,616	13,901,365

The income from funding for educational operations was £18,650,616 (2019: £13,901,365) of which £18,650,616 was restricted general (2019: £13,901,365).

Other DfE group grants are made up of pupil premium, early years funding, teachers pay grants, rates relief, PE grants and free school meals. 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 2020 £	Total 2019 £
Lettings income	17,395	-	17,395	502
Catering income	457,831	-	457,831	570,929
School trips	256,078	-	256,078	182,577
Other income	9,031	239,935	248,966	240,003
	740,335	239,935	980,270	994,011

The income from other trading activities was £980,270 (2019: £994,011) of which £740,335 was unrestricted (2019: £756,402) and £239,935 was restricted general (2019: £237,609).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Interest from short term deposits	13,244	-	13,244	1,553

The income from funding for investment income was £13,244 (2019: £1,553) of which £13,244 was unrestricted (2019: £1,553).

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	731,339	731,339	722,567
Academy's educational operations					
- Direct costs	12,062,003	1,178,528	1,284,556	14,525,087	10,522,521
- Allocated support costs	3,121,800	1,046,583	814,165	4,982,548	3,999,256
Total costs	15,183,803	2,225,111	2,830,060	20,238,974	15,244,344

The expenditure on raising funds was £731,339 (2019: £722,567) of which £731,339 was unrestricted (2019: £722,567).

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	21,933	71,999
Depreciation of tangible fixed assets	1,178,528	763,598
Net interest on defined benefit pension liability	168,000	133,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	18,500	15,750
- Other services	23,739	19,029

8 Charitable activities

	2020 £	2019 £
All from restricted funds:		
Direct costs		
Educational operations	14,525,087	10,522,521
Support costs		
Educational operations	4,982,548	3,999,256
	19,507,635	14,521,777

The expenditure on charitable activities was £19,507,635 (2019: £14,521,777) of which £18,329,107 was restricted general (2019: £13,758,179) and £1,178,528 was restricted fixed assets (2019: £763,598).

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities (Continued)

	2020 £	2019 £
Analysis of support costs		
Support staff costs	3,121,800	2,497,489
Premises costs	1,046,583	740,816
Legal costs	115,249	85,230
Other support costs	679,816	649,441
Governance costs	19,100	26,280
	<u>4,982,548</u>	<u>3,999,256</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	11,373,557	8,161,719
Social security costs	1,076,383	786,030
Pension costs	2,415,307	1,587,335
Staff costs - employees	<u>14,865,247</u>	<u>10,535,084</u>
Agency staff costs	252,774	552,940
Staff restructuring costs	65,782	91,079
Total staff expenditure	<u>15,183,803</u>	<u>11,179,103</u>

Staff restructuring costs comprise:

Redundancy payments	-	33,724
Severance payments	65,782	57,355
	<u>65,782</u>	<u>91,079</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £49,620 (2019: £57,355). Individually the payments were £30,000, £15,995 and £3,625.

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff (Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	185	134
Administration and support	193	137
Management	3	3
	<u>381</u>	<u>274</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	11	6
£70,001 - £80,000	1	2
£80,001 - £90,000	4	2
£90,001 - £100,000	-	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>17</u>	<u>12</u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Trust was £399,384 (2019: £341,995).

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Central services

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

- leadership management and oversight;
- strategic direction and planning;
- governance and compliance management;
- school improvement co-ordination;
- financial management and control;
- financial reporting (external audit);
- financial planning;
- budget preparation;
- financial management reporting;
- HR management;
- staff development management;
- premises and estates management;
- strategic procurement;
- capital project management;
- insurance and risk management co-ordination;
- systems training and advice;
- performance data analysis; and
- marketing, communications and corporate image management.

The Trust charges for these services on the following basis:

- The Trust will retain between 3% and 6% of a constitute academies GAG funding, the percentage is dependent on the level of support required.

The amounts charged during the year were as follows:

	2020	2019
	£	£
Parkside Academy	153,780	142,434
Staindrop Academy	166,838	238,075
Hartside Academy	32,530	31,882
Whitworth Park Academy	293,394	275,928
Dene Academy	155,257	-
	<u>801,799</u>	<u>688,319</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher receives remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

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

L A Davies, the Chief Executive Officer (and Accounting Officer) until 31 August 2020, received remuneration of £82,500 (2019: £82,500) and is accruing retirement benefits under the Teachers' Pension Scheme. Contributions paid in the year amounted to £19,536 (2019: £13,596).

K Simpson, a staff trustee from 1 August 2020, received remuneration of £10,417 (2019: £nil) and is accruing retirement benefits under the Teachers pension Scheme, for that period. Contributions paid in the period from appointment to the year end amounted to £2,467.

During the year ended 31 August 2020, travel and subsistence expenses totalling £nil (2019: £178) were reimbursed to Trustees.

There were no related party transactions involving the Trustees during the year.

12 Trustees and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £950 (2019: £950). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	29,856,731	667,175	464,799	496,109	8,398	31,493,212
Transfer on conversion	15,053,472	-	-	-	-	15,053,472
Additions	663,820	-	111,860	220,608	-	996,288
Transfers	667,175	(667,175)	-	-	-	-
At 31 August 2020	46,241,198	-	576,659	716,717	8,398	47,542,972
Depreciation						
At 1 September 2019	1,552,457	-	226,877	339,535	1,722	2,120,591
Charge for the year	985,910	-	121,128	69,811	1,679	1,178,528
At 31 August 2020	2,538,367	-	348,005	409,346	3,401	3,299,119
Net book value						
At 31 August 2020	43,702,831	-	228,654	307,371	4,997	44,243,853
At 31 August 2019	28,304,274	667,175	237,922	156,574	6,676	29,372,621

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

	2020 £	2019 £
Trade debtors	11,285	19,097
VAT recoverable	149,972	143,759
Prepayments and accrued income	1,639,865	498,053
	<u>1,801,122</u>	<u>660,909</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Salix Loan	39,014	36,713
Trade creditors	798,881	727,387
Other taxation and social security	269,934	196,764
ESFA creditors	83,145	83,145
Other creditors	280,858	160,382
Accruals and deferred income (see note 17)	753,489	731,184
	<u>2,225,321</u>	<u>1,935,575</u>

The interest charged on Salix funding is 0% and amounts are repayable in twice yearly instalments.

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>43,932</u>	<u>67,243</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due after more than one year (Continued)

	2020 £	2019 £
Analysis of loans		
Not wholly repayable within five years by instalments	29,029	8,711
Wholly repayable within five years	53,917	95,245
	<u>82,946</u>	<u>103,956</u>
Less: included in current liabilities	(39,014)	(36,713)
	<u>43,932</u>	<u>67,243</u>
Loan maturity		
Debt due in one year or less	39,014	36,713
Due in more than one year but not more than two years	3,726	36,711
Due in more than two years but not more than five years	11,177	21,821
Due in more than five years	29,029	8,711
	<u>82,946</u>	<u>103,956</u>

The interest charged on Salix funding is 0% and amounts are repayable in twice yearly instalments.

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>26,688</u>	<u>52,675</u>
Deferred income at 1 September 2019	52,675	58,257
Released from previous years	(52,675)	(58,257)
Resources deferred in the year	<u>26,688</u>	<u>52,675</u>
Deferred income at 31 August 2020	<u>26,688</u>	<u>52,675</u>

At the balance sheet date the Trust was holding funds received in advance in relation to early years funding and PE grants.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	1,690,631	16,195,890	(15,027,018)	(395,347)	2,464,156
Other DfE / ESFA grants	-	2,235,171	(2,235,171)	-	-
Other government grants	-	219,555	(219,555)	-	-
Other restricted funds	-	217,363	(217,363)	-	-
Pension reserve	(7,174,000)	(1,928,000)	(630,000)	(766,000)	(10,498,000)
	<u>(5,483,369)</u>	<u>16,939,979</u>	<u>(18,329,107)</u>	<u>(1,161,347)</u>	<u>(8,033,844)</u>
Restricted fixed asset funds					
Inherited/transferred on conversion	26,839,286	15,053,472	(1,081,216)	-	40,811,542
DfE group capital grants	1,777,415	1,363,594	(76,968)	-	3,064,041
Capital expenditure from GAG	788,242	-	(20,344)	395,347	1,163,245
	<u>29,404,943</u>	<u>16,417,066</u>	<u>(1,178,528)</u>	<u>395,347</u>	<u>45,038,828</u>
Total restricted funds	<u>23,921,574</u>	<u>33,357,045</u>	<u>(19,507,635)</u>	<u>(766,000)</u>	<u>37,004,984</u>
Unrestricted funds					
General funds	<u>438,931</u>	<u>753,579</u>	<u>(731,339)</u>	<u>-</u>	<u>461,171</u>
Total funds	<u>24,360,505</u>	<u>34,110,624</u>	<u>(20,238,974)</u>	<u>(766,000)</u>	<u>37,466,155</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 group capital grant - The income relates to capital funding which has been received from the ESFA for utilisation on building improvements and refurbishments.

Inherited on conversion

Transferred on conversion include the buildings of the academy trust. Depreciation will be charged to the fund over the life of the related assets.

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 Trustees, within the objects of the academy trust.

Transfer between funds - Transfers between funds have been made when capital items have been acquired using GAG monies.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	519,994	12,406,513	(10,875,874)	(360,002)	1,690,631
Other DfE / ESFA grants	-	1,145,710	(1,145,710)	-	-
Other government grants	-	349,142	(349,142)	-	-
Other restricted funds	-	800,453	(800,453)	-	-
Pension reserve	(3,725,000)	(1,248,000)	(587,000)	(1,614,000)	(7,174,000)
	<u>(3,205,006)</u>	<u>13,453,818</u>	<u>(13,758,179)</u>	<u>(1,974,002)</u>	<u>(5,483,369)</u>
Restricted fixed asset funds					
Inherited/transferred on conversion	14,164,452	13,383,345	(708,511)	-	26,839,286
DfE group capital grants	954,665	866,532	(43,782)	-	1,777,415
Capital expenditure from GAG	439,545	-	(11,305)	360,002	788,242
	<u>15,558,662</u>	<u>14,249,877</u>	<u>(763,598)</u>	<u>360,002</u>	<u>29,404,943</u>
Total restricted funds	<u>12,353,656</u>	<u>27,703,695</u>	<u>(14,521,777)</u>	<u>(1,614,000)</u>	<u>23,921,574</u>
Unrestricted funds					
General funds	<u>403,543</u>	<u>757,955</u>	<u>(722,567)</u>	<u>-</u>	<u>438,931</u>
Total funds	<u>12,757,199</u>	<u>28,461,650</u>	<u>(15,244,344)</u>	<u>(1,614,000)</u>	<u>24,360,505</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (Continued)

Total funds analysis by academy

	Balance at 1 September 2019 £	Operating surplus / (deficit) (excluding depreciation) £	Capital expenditure from reserves £	Other movements £	Balance at 31 August 2020 £
Parkside Academy	270,327	260,526	(152,026)	-	378,827
Staindrop Academy	720,515	244,396	(207,597)	-	757,314
Hartside Academy	44,770	132,522	(9,915)	-	167,377
Whitworth Park Academy	856,687	296,492	(8,174)	-	1,145,005
Dene Academy	-	151,846	(2,804)	-	149,042
Central services	237,263	105,330	(14,831)	-	327,762
Total before fixed assets fund and pension reserve	2,129,562	1,191,112	(395,347)	-	2,925,327
Restricted fixed asset fund	29,404,943	-	-	15,633,885	45,038,828
Pension reserve	(7,174,000)	-	-	(3,324,000)	(10,498,000)
Total funds	24,360,505	1,191,112	(395,347)	12,309,885	37,466,155

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Parkside Academy	3,443,831	628,772	563,395	673,513	5,309,511	4,999,125
Staindrop Academy	1,722,904	321,296	317,340	426,559	2,788,099	2,792,342
Hartside Academy	710,998	108,389	178,754	163,692	1,161,833	1,231,323
Whitworth Park Academy	3,100,528	542,389	553,391	604,724	4,801,032	4,908,148
Dene Academy	3,083,742	426,081	473,489	438,456	4,421,768	-
Central services	-	632,873	-	127,128	760,001	661,127
	12,062,003	2,659,800	2,086,369	2,434,072	19,242,244	14,592,065

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	44,243,853	44,243,853
Current assets	461,171	4,675,415	852,969	5,989,555
Creditors falling due within one year	-	(2,193,466)	(31,855)	(2,225,321)
Creditors falling due after one year	-	(17,793)	(26,139)	(43,932)
Defined benefit pension liability	-	(10,498,000)	-	(10,498,000)
Total net assets	461,171	(8,033,844)	45,038,828	37,466,155

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	29,372,621	29,372,621
Current assets	438,931	3,606,885	118,886	4,164,702
Creditors falling due within one year	-	(1,903,717)	(31,858)	(1,935,575)
Creditors falling due after one year	-	(12,537)	(54,706)	(67,243)
Defined benefit pension liability	-	(7,174,000)	-	(7,174,000)
Total net assets	438,931	(5,483,369)	29,404,943	24,360,505

20 Contingent liabilities

In the event that during the period of the funding agreement, the Trust sells or disposes of any asset for which a capital grant was received, the Trust 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 Trust for its charitable purposes.

21 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the financial statements	1,085,822	-

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	11,786	10,926
Amounts due between one and five years	19,365	7,814
	<u>31,151</u>	<u>18,740</u>

23 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	13,871,650	13,217,306
Adjusted for:		
Net surplus on conversion to academy	(13,102,900)	(12,698,189)
Capital grants from DfE and other capital income	(1,363,594)	(866,532)
Interest receivable	(13,244)	(1,553)
Defined benefit pension scheme costs less contributions payable	462,000	454,000
Defined benefit pension scheme finance cost	168,000	133,000
Depreciation of tangible fixed assets	1,178,528	763,598
Movements in working capital:		
Decrease in debtors	36,404	35,870
(Decrease)/increase in creditors	(155,089)	636,841
Stocks, debtors and creditors transferred on conversion	(44,231)	-
Net cash provided by operating activities	<u>1,037,524</u>	<u>1,674,341</u>

24 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	New loan £	31 August 2020 £
Cash	3,503,793	684,640	-	4,188,433
Loans	(103,956)	39,431	(18,421)	(82,946)
	<u>3,399,837</u>	<u>724,071</u>	<u>(18,421)</u>	<u>4,105,487</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

25 Pension and similar obligations

The 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. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £278,163 (2019: £159,628) were payable to the schemes at 31 August 2020 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.

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 every 4 years. 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,380,307 (2019: £717,335).

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.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Pension and similar obligations (Continued)

The LGPS obligation relates to the employees of the Trust, being the employees of the Trust, employees transferred as part of the conversion of Dene Community School and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date. Details of the obligation in respect of employees who transferred on conversion is included in note 29.

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	2020	2019
	£	£
Employer's contributions	573,000	416,000
Employees' contributions	162,000	113,000
Total contributions	735,000	529,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
	%	%
Rate of increase in salaries	3.3	3.5
Rate of increase for pensions in payment/inflation	2.3	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.0

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

	2020	2019
	Years	Years
Retiring today		
- Males	22.2	22.3
- Females	24.2	23.8
Retiring in 20 years		
- Males	23.2	24.0
- Females	25.7	25.7

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

25 Pension and similar obligations (Continued)

The Trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	3,595,000	2,641,000
Government bonds	1,738,000	1,346,000
Corporate bonds	1,069,000	613,000
Cash	356,000	262,000
Property	516,000	377,000
Total fair value of assets	<u>7,274,000</u>	<u>5,239,000</u>

The actual return on scheme assets was £(192,000) (2019: £485,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	1,035,000	573,000
Net interest cost	168,000	133,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	297,000
Total operating charge	<u>1,203,000</u>	<u>1,003,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	12,413,000
Obligations acquired on conversion	3,575,000
Current service cost	1,035,000
Interest cost	304,000
Employee contributions	162,000
Actuarial loss	438,000
Benefits paid	(155,000)
At 31 August 2020	<u>17,772,000</u>

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

25 Pension and similar obligations (Continued)

Changes in the fair value of the Trust's share of scheme assets

	2020 £
At 1 September 2019	5,239,000
Assets acquired on conversion	1,647,000
Interest income	136,000
Return on plan assets (excluding net interest on the net defined pension liability)	(328,000)
Employer contributions	573,000
Employee contributions	162,000
Benefits paid	(155,000)
At 31 August 2020	<u>7,274,000</u>

26 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.

27 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures, except unless otherwise stated.

During the year the Academy Trust entered into the following transaction:

- C Jenkins, the brother of Claire Oates (CFO) has supplied services, in relation to maintenance of estates, totalling £4,600. These services were delivered across the Trust, at various times during the year. The Trust procured the services, following the Trust's procurement processes. The CFO was not involved in the procurement process or decision making in relation to the supply.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2019.

Trustees' remuneration and expenses are disclosed in note 11.

28 Post balance sheet events

Wolsington School joined the Academy Trust on 1 September 2020.

ADVANCE LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

29 Transfer of an academy

On 1 September 2019 Dene Community School joined Advance Learning Partnership and all the operations and assets and liabilities were transferred to Advance Learning Partnership from the Durham Local Authority for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Dene Academy	Peterlee	1 September 2019		
	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Net assets transferred:				
Freehold land and buildings	-	-	15,053,472	15,053,472
Cash	-	21,659	-	21,659
Pension scheme deficit	-	(1,928,000)	-	(1,928,000)
Creditors	-	(44,231)	-	(44,231)
	-	(1,950,572)	15,053,472	13,102,900
	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	15,053,472	15,053,472
LGPS pension funds	-	(1,928,000)	-	(1,928,000)
Other funds	-	(22,572)	-	(22,572)
	-	(1,950,572)	15,053,472	13,102,900

The total income and net income/expenditure comprise of total income of £4,993,647 and net expenditure of £4,412,485 contributed by Dene Academy between the date of transfer and the 31 August 2020.