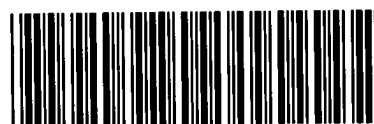


Company Registration No. 07903002 (England and Wales)

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

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

FRIDAY



\*A6XHS9VV\*

A14

12/01/2018

#74

COMPANIES HOUSE

# THE ACTIVE LEARNING TRUST LIMITED

## CONTENTS

---

|                                                                            | Page    |
|----------------------------------------------------------------------------|---------|
| Reference and administrative details                                       | 1 - 2   |
| Trustees' report                                                           | 3 - 13  |
| Statement on regularity, propriety and compliance                          | 14      |
| Governance statement                                                       | 15 - 18 |
| Statement of trustees' responsibilities                                    | 19      |
| Independent auditor's report on the accounts                               | 20 - 21 |
| Independent reporting accountant's report on regularity                    | 22 - 23 |
| Statement of financial activities including income and expenditure account | 24 - 25 |
| Balance sheet                                                              | 26      |
| Statement of cash flows                                                    | 27      |
| Notes to the accounts including accounting policies                        | 28 - 55 |

---

# THE ACTIVE LEARNING TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Trustees

Mr Gary Peile  
Mr Clive Bush  
Ms Lesley Adams  
Ms Marilyn Toft (Resigned 22 August 2017)  
Mr David Bateson OBE  
Ms Marion Lloyd  
Mr Mark Kerr  
Mr Jeremy Beswick  
Mrs Jacqueline Cutchey  
The Hon R G Hely Hutchinson  
Mr S Staite (Resigned 12 July 2017)

### Members

Ms Lesley Adams  
Ms Marion Lloyd  
Mr Robert Dool  
Mrs Helen Capron  
Mr Simon Staite (appointed 12 July 2017)

### Senior management team

- Chief Executive
- Chief Adviser
- Director of Human Resources
- Director of School Improvement & Development
- Director of Finance & Operations
- Director of Professional Development

Mr Gary Peile  
Mr Clive Bush  
Mrs Janice Steel  
Mr David Hilton  
Mr Clive Paskell  
Ms Marilyn Toft

### Company secretary

Mrs Karen Jarvis

### Company registration number

07903002 (England and Wales)

### Registered office

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

# THE ACTIVE LEARNING TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS

---

|                            |                                                                                        |                                             |
|----------------------------|----------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Academies operated</b>  | <b>Location</b>                                                                        | <b>Principal</b>                            |
| The Neale-Wade Academy     | March                                                                                  | Mr J Wing (Executive Headteacher * )        |
| Burrowmoor Academy         | March                                                                                  | Mr J Wing *                                 |
| Westwood Academy           | Lowestoft                                                                              | Mrs R Aldous                                |
| Gusford Primary School     | Ipswich                                                                                | Mr C D'Cunha (acting Executive Headteacher) |
| Chesterton Primary School  | Cambridgeshire                                                                         | Ms B Surtees (Executive Headteacher)        |
| Red Oak Primary School     | Lowestoft                                                                              | Mrs H Madsen                                |
| Grove Primary School       | Lowestoft                                                                              | Mrs A Ward                                  |
| Sidegate Primary School    | Ipswich                                                                                | Ms W James                                  |
| Hillside Primary School    | Ipswich                                                                                | Mr L Abbott                                 |
| Kingsfield Primary School  | Chatteris                                                                              | Ms A Robertson                              |
| Pakefield Primary School   | Lowestoft                                                                              | Mr M Payne                                  |
| Reydon Primary School      | Southwold                                                                              | Mrs J Viner                                 |
| Isle of Ely Primary School | Cambridgeshire                                                                         | Ms B Surtees (Executive Headteacher)        |
| Chantry Academy            | Ipswich                                                                                | Mr C D'Cunha                                |
| Highfield Ely Academy      | Cambridgeshire                                                                         | Mr S Bainbridge                             |
| Albert Pye Primary School  | Beccles                                                                                | Mrs M Mills                                 |
| Ravensmere Infant School   | Beccles                                                                                | Mrs M Mills                                 |
| <b>Independent auditor</b> | SBM Associates Limited, trading as SBM & Co<br>24 Wandsworth Road<br>London<br>SW8 2JW |                                             |
| <b>Bankers</b>             | Barclays Bank plc<br>1 Churchill Place<br>London<br>E14 5HP                            |                                             |
| <b>Solicitors</b>          | Mullis & Peake<br>8 - 10 Eastern Road<br>Romford<br>Essex<br>RM1 3PJ                   |                                             |

---

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

#### Constitution

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

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

### **Principal activities**

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

#### Members' liability

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

#### Trustees' indemnities

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

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

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

### Organisational structure

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

- Personnel & Remuneration
- Finance and Audit

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

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

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

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

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

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **Objectives and activities**

#### Objects and aims

The Active Learning Trust's prime aim is to establish, maintain and develop academy schools offering a broad and balanced curriculum. The Trust exists to enable all pupils in its schools to achieve to the best of their ability in all that they do. In order to do this the Trust has gained DfE approval as a multi Academy sponsor and has drawn together a number of senior professionals. The key object of the Active Learning Trust is to raise standards of education in those schools approved to join the Trust by the Secretary of State. The Trust does this through developing and implementing school improvement activities designed to ensure that every pupil attending an Active Learning Trust school has the opportunity to access a broad and balanced curriculum that is based upon (but is extended beyond) the National Curriculum. The Trust board reviewed its aims, following consultation with headteachers, in July 2016 and adopted a wider set of aims that can be found on our website <http://activelearningtrust.org/about/our-aims>.

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

#### Objectives, strategies and activities

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

Specifically we will:

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

The Trust's approved business plan sets out the aspiration to grow with between 8 and 9 schools based in regional hubs and this growth is now being realised with 17 schools already in the Trust, 4 more joining early in 2017/18 and at least 3 more schools planned to join in the next two years. Current list of schools including those who will become part of the Trust immediately after this reporting period:

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

Cromwell Community College, Chatteris, Suffolk - joined the Trust on 1st September 2017  
Highfield Littleport Academy, Cambridgeshire - joined the Trust on 1st September 2017  
Littleport & East Cambridgeshire Academy - joined the Trust on 1st September 2017  
Earith Primary School, Cambridgeshire - joins the Trust on 1st January 2018

#### Public benefit

Trustees have, as part of their overall role, ensured that the Trust has undertaken its role to support all pupils in all the schools approved to be part of the Trust. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission on their website at <https://www.gov.uk/topic/running-charity/managing-charity> in exercising their powers and duties. As a Trust, the Board recognises its responsibility for the sound management of public funds and to enable the focus of the Trust to be on the prime objective to support pupils to maximise their potential. All funds are used to deliver the objectives of the Trust. There are no shareholders of the Trust and, therefore, all funds are utilised to deliver the aims of the Trust.



# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Strategic report

#### Achievements and performance

##### Key performance indicators

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

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

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

Within one year of transfer all ALT schools will have:

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

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

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

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

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

|                                                         | 2017   | 2017   | 2018    |
|---------------------------------------------------------|--------|--------|---------|
|                                                         | Target | Actual | Target  |
| Teaching staff costs as a % of total outgoing resources | 50%    | 56.9%  | 60%     |
| Total staff costs as a % of total outgoing resources    | 80%    | 76.6%  | 80%     |
|                                                         | £'000  | £'000  | £'000   |
| Total incoming resources from charitable activities     | 37,750 | 48,780 | 101,518 |
| Net current assets                                      | 4,465  | 6,762  | 6,850   |

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Key performance indicators

The Hub Model has been operating for 4 years and as the Trust has grown, it has significantly developed the strength of each Hub. The Lowestoft Hub is now called the North Suffolk Hub to include the wider reach of the Trust in the area. The Cambridgeshire Hub now includes the Trust's first Special School and there has been a good transition of the school within the Trust in 2016/17.

### **NORTH SUFFOLK HUB**

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

### **Summary**

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

There have been two successful OfSTED reports for Red Oak and Westwood that identify the work of the Trust and Hub. Grove Primary School has had an OfSTED report that is currently going through the complaints procedure as some judgements and conduct issues are being disputed. Reydon Primary School is likely to fall into the coasting category based on last year's criteria. Albert Pye and Ravensmere have had external reviews that confirm the school's evaluation of where they are (Good). Pakefield is vastly improved in terms of outcomes and progress, this will support the school as they enter the OfSTED window (Spring 2018).

### **Key Priorities**

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

### **Results for 2017 (End of KS 2 Progress and Attainment)**

Excellent progress made by Westwood, Pakefield and Red Oak with Albert Pye moving out of the coasting category that they had previously been present. Key focus for work is Reydon and Grove who are now Challenge One schools for support and resource.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### CAMBRIDGESHIRE HUB

Burrowmoor Primary School, March  
Chesterton Primary School, Chesterton, Cambridge  
Isle of Ely Primary School, Ely  
Kingsfield Primary School, Chatteris  
Neale-Wade Academy (NWA), March  
Highfield School Ely, Special School (joined the Trust in September 2016)  
Highfield Littleport (Opens September 2017)  
Littleport and East Cambs Academy (Opens September 2017)  
Cromwell Community College (CCC) (Joins September 2017)

### Summary

The Hub has been significantly stabilised over the year with some very good collaboration between Isle of Ely, Burrowmoor and Kingsfield (moderation, support for EYFS and curriculum and coaching). Neale Wade, Kingsfield and Isle of Ely have been through OfSTED inspections this year. Neale Wade and Isle of Ely achieved the predicted good outcome in all areas, in line with the Trust's and school's expectation. Kingsfield received a Requires Improvement (RI) grade with two areas (EYFS and Personal Development, Behaviour and Welfare (PDBW)) achieving a Good grade. Jason Wing, Executive Headteacher for Neale Wade, Burrowmoor and Littleport and East Cambs Academy, has been awarded NLE status and Kingsfield has a new Headteacher. Chesterton has developed a strong start to KS2 and they now move into their fifth year as a new school.

Burrowmoor was unable to appoint a new Headteacher and this role is being supported by the existing interim head and the Executive leadership of Jason Wing, who also leads Littleport and East Cambs Academy (LECA). Highfield Ely is a new school to the Trust led by Simon Bainbridge who also provides Executive leadership to Highfield Littleport a new special school built on the same campus as LECA.

Results at Neale Wade have been strong in some subjects and the new challenges of revisions to KS4 have been handled well as the 3 Trust Secondary schools collaborate and support each other.

### Key Priorities

- Agreed moderation of judgements with further work on developing 'moderators' for all key stages
- Continued development of Hub based support programmes – including Subject Leadership, NQT+1 (Newly Qualified Teacher) and coaching
- Developing 'Greater' depth in all subjects
- Littleport and LECA integration into the Hub and Trust – staff and pupils e.g. Sports/Arts and Development visits
- Secondary Support for schools – Hub and Trust wide
- Support for KS4 – Maths and English at Neale Wade
- Support and challenge for all schools with new Hub Leader in place September 2017
- New leadership support for Kingsfield and Chatteris / Earith model
- Support for Burrowmoor transitional leadership model
- Curriculum development and sharing of good practice from 'Good' and 'Outstanding' schools in key areas.
- Assessment and data literacy at all levels

### Results for 2017 (End of KS 2 Progress and Attainment)

Good progress and attainment improvement at Kingsfield with concerns around Maths at Burrowmoor. KS1 and EYFS results at Chesterton and Isle of Ely broadly in line with National. Neale Wade and Cromwell (September 2017) have key areas to improve that will be supported by the Chief Adviser, Clive Bush. Burrowmoor is now a Challenge one school to ensure the Mathematics is targeted and to add capacity to the leadership team.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### IPSWICH HUB

Chantry Academy  
Gusford Primary  
Hillside Primary  
Sidegate Primary

#### Summary

The hub has been very well led by a strong Hub Leader who has worked with the Trust as an interim Headteacher. OfSTED have visited all schools in the Hub with judgements in line with the Trust expectations. Sidegate achieved Good overall, Chantry received Good in two areas and achieved Requires Improvement (RI) overall, removing it from special measures. Hillside received Good for EYFS and gained RI overall. Gusford received RI over all with Good for EYFS and PDBW with some key issues identified that impacted on the overall outcome, there has been a change of leadership and significant turnover of staff.

There is some very good collaboration between good practice areas and schools needing support e.g. Math's and curriculum support. There has also been the first secondment of staff between schools to support their personal development and add capacity to leadership at Gusford. A new Headteacher has started at Gusford and recruitment to further strengthen the senior leadership is underway. Chantry have provided Executive Leadership support to Gusford that has had a very positive impact. The Transition Project continues and has continued to engage and link with schools outside of the Trust – enabling the transition and transfer to Chantry to evolve and create a successful relationship with the primary schools.

#### Key Priorities

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

#### Results for 2017 (End of KS 2 Progress and Attainment)

Good progress and attainment at Sidegate with pupils achieving in line with expectations. Maths and Reading are a concern at Gusford and due to transition of leadership and the results the school will be supported by the Challenge Programme. Although Hillside's attainment is low the progress of pupils is improved this year, especially in Mathematics where it is at+1.5. Considerable work will be focused in both Hillside and Gusford to secure progress and attainment improvements.

Chantry has had a good year with the combined Maths and English level rising to 56%, there were some other key areas of success and areas for development, however, NWA and CCC are working collaboratively to ensure that Good practice and lessons learned are developed across the Trust schools.

#### Conclusion

There has been clear progress in most Trust schools both in terms of OfSTED outcomes and results both in terms of attainment and progress, the Trust has improved at Key Stage 2 in line with National and there have been some excellent improvement in attainment and progress at all key stages . The Hub model continues to evolve, with clear evidence showing that stable hub leadership leads to greater engagement and progress. Hub activities have also evolved into cross Trust activity – e.g. Sports, Arts, NQT programme and Development visits which will be developed further with the cross-Trust Assessment and Curriculum work alongside moderation groups. All hubs also have additional capacity through the Secondary and Primary leads who are supported by Teaching and Learning improvement leads who work directly in classrooms to coach and develop in class practice. Evidence from OfSTED and internal reviews has clearly identified the impact of this work. The Trust looks forward with confidence to the improvement of its schools, the development of work with new schools and ensuring the strengths in every school are developed to their maximum.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Going concern

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

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

### **Financial review**

#### **Principal funding sources**

The great majority of the Trust's income is derived from recurrent grants from the ESFA (Education and Skills Funding Agency) to each of the individual Academies within the Trust. The use of these funds is restricted to the particular purpose of the grant. The grants received from the ESFA in the period 1st September 2016 to 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Donations on the transfer of assets and liabilities from local authorities on conversion and transfer from another academy trust included in the Statement of Financial Activities amounted to £6,731,000 (2016: £27,852,000), in accordance with ESFA requirements. Fixed Assets transferred at conversion are included in the Restricted Fixed Asset Fund. Within this total amount, deficits introduced on transfer in respect of the Local Government Pension Scheme (LGPS) amounted to £1,913,000 (2016: £1,080,000).

The total deficit carried forward on the restricted fund pension reserve at 31 August 2017 amounted to £14,187,000 (2016: £14,272,000).

During the year ended 31st August 2017 the Trust received total income, including capital income, of £48,780,000 (2016: £62,676,000) of which £1,660,000 (2016: £2,623,000) was unrestricted income.

Total expenditure for the year ended 31st August 2017 amounted to £42,517,000 (2016: £35,789,000), of which staff costs of £32,548,000 (2016: £26,399,000) represented 76.6% (2016: 74.5%) of total expenditure

Total funds carried forward as at 31 August 2017 amounted to £118,064,000 (2016: £107,821,000).

### Reserves policy

The trustees review the level of reserves held on an annual basis. This review encompasses the level and sustainability of current and future income streams, the need to match income with commitments, and the adequacy of reserves. The Trust's current level of reserves, both restricted and unrestricted, is as shown with the financial statements - see note 19.

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

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

The amount of unrestricted reserves held currently equates to 9.6% of total income (excluding the transfer from local authorities on conversion), which currently exceeds the overall parameters set by the Trust for levels of reserves and is considered prudent in view of the forthcoming reduction in future income streams.

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

Amount of total funds held as at 31 August 2017: £118,064,000 (2016: £107,821,000).

Restricted funds not available for general purposes of the academy trust at 31 August 2017: £113,397,000 (2016: £104,646,000).

Balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017: £5,508,000 (2016: £4,767,000).

Balance on unrestricted funds at 31 August 2017: £4,667,000 (2016: £3,175,000).

The Trust also maintains one further fund, the LGPS fund. This represents the charitable company's share of the surplus or deficit of the Cambridgeshire CC and Suffolk CC pension funds, calculated in accordance with FRS102. Further details of the calculations and assumptions underlying the balance on this fund are set out in the notes to the financial statements.

Deficits on the LGPS fund were introduced during the year when the following schools became part of the trust:

- Highfield Ely Academy pension deficit of £1,667,000 introduced at 1 September 2016
- Albert Pye Primary School pension deficit of £276,000 introduced on 1 October 2016
- Ravensmere Infant School pension deficit of £77,000 introduced on 1 October 2016

In total, the academy trust's deficit carried forward on the LGPS fund reduced from £14,272,000 at 31 August 2016 to £14,187,000 at 31 August 2017 despite the introduction of the above-mentioned deficits on conversion. The results are impacted by the 2016 formal triennial valuation of the English & Welsh LGPS Funds and the resulting update of financial and demographic assumptions. According to the actuaries acting for the trust, Hymans Robertson, key factors which led to the reduced deficit are lower than expected salary growth over the previous inter-valuation period, lower than anticipated actual pension increases. The trust continues to follow the actuarial recommendations regarding the three year contribution rates but these are on the higher side of national averages and any increase in these costs would impact on the ability of schools to deliver their core business with no commensurate return.

#### Investment policy and powers

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

#### Principal risks and uncertainties

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

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

The Trust has very low take up of credit, loans are at 0% or Public Works Loan Board Rates and generally related to buildings energy efficiency programmes, the risk from credit is considered to be very low.

Cashflow is tracked at school level monthly and the level of balances held projected over the year and forecast for the following two years. The position is currently showing good balances being held and whilst the forecast for the next two years shows reducing cash balances the position is still sufficiently healthy to not be considered a risk at this stage.

Liquidity ratio remains at 3.4% - representing a strong position, predominantly assets are cash at bank, again risks are rated as low.

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

# THE ACTIVE LEARNING TRUST LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### Financial and risk management objectives and policies

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

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

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

### Plans for future periods

The Department for Education has confirmed that the Active Learning Trust is an approved sponsor for schools in Cambridgeshire and Suffolk. At the time of writing, the Trust has been accepted as sponsor for Earith Primary School in Cambridgeshire and a Free School due to open in Central Ipswich in September. The Trust is regularly speaking with other schools wishing to consider joining the Trust.

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

### Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2017 and signed on its behalf by:



Ms Lesley Adams

# **THE ACTIVE LEARNING TRUST LIMITED**

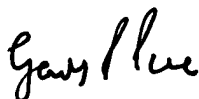
## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mr Gary Peile  
Accounting Officer

13 December 2017



# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Scope of responsibility

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

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

### Governance

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

| Trustees                                  | Meetings attended | Out of possible |
|-------------------------------------------|-------------------|-----------------|
| Mr Gary Peile                             | 5                 | 5               |
| Mr Clive Bush                             | 3                 | 5               |
| Ms Lesley Adams                           | 4                 | 5               |
| Ms Marilyn Toft (Resigned 22 August 2017) | 5                 | 5               |
| Mr David Bateson OBE                      | 4                 | 5               |
| Ms Marion Lloyd                           | 5                 | 5               |
| Mr Mark Kerr                              | 3                 | 5               |
| Mr Jeremy Beswick                         | 4                 | 5               |
| Mrs Jacqueline Cutchey                    | 4                 | 5               |
| The Hon R G Hely Hutchinson               | 4                 | 5               |
| Mr S Staite (Resigned 12 July 2017)       | 3                 | 5               |

Mr Gary Peile is the Trust's Accounting Officer.

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

Attendance at meetings in the year was as follows:

| Trustees                            | Meetings attended | Out of possible |
|-------------------------------------|-------------------|-----------------|
| Mr Gary Peile                       | 1                 | 2               |
| Mr David Bateson OBE                | 2                 | 2               |
| Ms Marion Lloyd                     | 2                 | 2               |
| Mrs Jacqueline Cutchey              | 2                 | 2               |
| Mr S Staite (Resigned 12 July 2017) | 1                 | 2               |

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

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The Finance and Audit committee is a sub-committee of the main board of trustees. Its purpose is to undertake detailed scrutiny of the Trust's finances and to ensure the Trust's assets are properly secured and maintained. The Committee has been involved in the discussion around processes and procedures, recognising that it has been important for the whole Trust board to be involved in finance decision making to ensure all Trustees have clarity in how the Trust is set up to meet its responsibilities as set out in the Trust's funding statement. The Committee provides the lead on approval of budgets for new schools, which will be the case for the new schools opening in Littleport in September 2017.

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

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

Attendance at meetings in the year was as follows:

| Trustees                    | Meetings attended | Out of possible |
|-----------------------------|-------------------|-----------------|
| Mr Gary Peile               | 4                 | 5               |
| Ms Lesley Adams             | 4                 | 5               |
| Mr Mark Kerr                | 3                 | 5               |
| Mr Jeremy Beswick           | 4                 | 5               |
| The Hon R G Hely Hutchinson | 4                 | 5               |

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

### Review of value for money

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

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

- The appointment of a Trust Procurement Manager to focus on the delivery of value for money procurement with the creation of a Trust Procurement Strategy that is shared with all key stakeholders and delivers a shared understanding of the opportunities and priority areas
- The central management of School's Capital Allocation spending programme across the Trust that delivers best value by minimising the overall costs of consultancy and directs funding at the most pressing projects.
- Specifically the adoption of catering tenders at a number of schools which has reduced the overall costs (subsidy by the school) of meals provision which, in turn, drives more money into front line services, work on a Trust wide Facilities Management Contract and supporting the procurement of fixtures fittings and equipment for the new schools in Littleport.
- Ensured salary levels for the small central team are at or below the median for staff working in similar sized organisations, following an external review of our salary levels which showed in all areas salary levels are below the levels of similar sized organisations.
- Continuing to balance the need for central support with external provision so that our costs are, and remain, low compared to other multi academy trusts.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Active Learning Trust Limited for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

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

### **Review of effectiveness**

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

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

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

Approved by order of the board of trustees on 13 December 2017 and signed on its behalf by:



Mr Gary Peile



Ms Lesley Adams

# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The trustees (who also act as governors for The Active Learning Trust Limited and are also the directors of The Active Learning Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education 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 accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 13 December 2017 and signed on its behalf by:



Ms Lesley Adams

# THE ACTIVE LEARNING TRUST LIMITED

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

---

### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# THE ACTIVE LEARNING TRUST LIMITED

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

---

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

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

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

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

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

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

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

### Responsibilities of trustees

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

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

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

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

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

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

**Stephen McAlpine FCA (Senior Statutory Auditor)**

**for and on behalf of SBM Associates Limited, trading as SBM & Co .....**

**Chartered Accountants**

**Statutory Auditor**

24 Wandsworth Road  
London  
SW8 2JW

# THE ACTIVE LEARNING TRUST LIMITED

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

---

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

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

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

The accounting officer is responsible, under the requirements of The Active Learning Trust Limited's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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



# THE ACTIVE LEARNING TRUST LIMITED

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

---

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mr Stephen McAlpine FCA

### **Reporting Accountant**

SBM Associates Limited, trading as SBM & Co

24 Wandsworth Road

London

SW8 2JW

Dated: 13 December 2017

# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

|                                                             | Notes | Unrestricted<br>Funds<br>£'000 | Restricted funds:<br>General £'000 | Fixed asset<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|-------------------------------------------------------------|-------|--------------------------------|------------------------------------|----------------------|------------------------|------------------------|
| <b>Income and endowments from:</b>                          |       |                                |                                    |                      |                        |                        |
| Donations and capital grants                                | 3     | 65                             | 91                                 | 2,298                | 2,454                  | 901                    |
| Donations - transfer from local authority on conversion     | 28    | -                              | (1,913)                            | 8,644                | 6,731                  | 27,582                 |
| Charitable activities:                                      |       |                                |                                    |                      |                        |                        |
| - Funding for educational operations                        | 4     | 102                            | 38,000                             | -                    | 38,102                 | 32,398                 |
| Other trading activities                                    | 5     | 1,481                          | -                                  | -                    | 1,481                  | 1,773                  |
| Investments                                                 | 6     | 12                             | -                                  | -                    | 12                     | 22                     |
| <b>Total income and endowments</b>                          |       | <u>1,660</u>                   | <u>36,178</u>                      | <u>10,942</u>        | <u>48,780</u>          | <u>62,676</u>          |
| <b>Expenditure on:</b>                                      |       |                                |                                    |                      |                        |                        |
| Raising funds                                               | 7     | 16                             | -                                  | -                    | 16                     | 21                     |
| Charitable activities:                                      |       |                                |                                    |                      |                        |                        |
| - Educational operations                                    | 8     | 152                            | 40,824                             | 1,525                | 42,501                 | 35,768                 |
| <b>Total expenditure</b>                                    | 7     | <u>168</u>                     | <u>40,824</u>                      | <u>1,525</u>         | <u>42,517</u>          | <u>35,789</u>          |
| <b>Net income/(expenditure)</b>                             |       | 1,492                          | (4,646)                            | 9,417                | 6,263                  | 26,887                 |
| <b>Other recognised gains and losses</b>                    |       |                                |                                    |                      |                        |                        |
| Actuarial gains/(losses) on defined benefit pension schemes | 23    | -                              | 3,980                              | -                    | 3,980                  | (5,177)                |
| <b>Net movement in funds</b>                                |       | 1,492                          | (666)                              | 9,417                | 10,243                 | 21,710                 |
| <b>Reconciliation of funds</b>                              |       |                                |                                    |                      |                        |                        |
| Total funds brought forward                                 |       | 3,175                          | (12,680)                           | 117,326              | 107,821                | 86,111                 |
| Total funds carried forward                                 |       | <u>4,667</u>                   | <u>(13,346)</u>                    | <u>126,743</u>       | <u>118,064</u>         | <u>107,821</u>         |

# THE ACTIVE LEARNING TRUST LIMITED

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

FOR THE YEAR ENDED 31 AUGUST 2017

| Comparative year information                            |       | Unrestricted | Restricted funds: |                | Total          |
|---------------------------------------------------------|-------|--------------|-------------------|----------------|----------------|
| Year ended 31 August 2016                               |       | Funds        | General           | Fixed asset    | 2016           |
|                                                         | Notes | £'000        | £'000             | £'000          | £'000          |
| <b>Income and endowments from:</b>                      |       |              |                   |                |                |
| Donations and capital grants                            | 3     | 67           | -                 | 834            | 901            |
| Donations - transfer from local authority on conversion | 28    | 622          | (806)             | 27,766         | 27,582         |
| Charitable activities:                                  |       |              |                   |                |                |
| - Funding for educational operations                    | 4     | 139          | 32,259            | -              | 32,398         |
| Other trading activities                                | 5     | 1,773        | -                 | -              | 1,773          |
| Investments                                             | 6     | 22           | -                 | -              | 22             |
| <b>Total income and endowments</b>                      |       | <u>2,623</u> | <u>31,453</u>     | <u>28,600</u>  | <u>62,676</u>  |
| <b>Expenditure on:</b>                                  |       |              |                   |                |                |
| Raising funds                                           | 7     | 21           | -                 | -              | 21             |
| Charitable activities:                                  |       |              |                   |                |                |
| - Educational operations                                | 8     | 155          | 34,187            | 1,426          | 35,768         |
| <b>Total expenditure</b>                                | 7     | <u>176</u>   | <u>34,187</u>     | <u>1,426</u>   | <u>35,789</u>  |
| <b>Net income/(expenditure)</b>                         |       | 2,447        | (2,734)           | 27,174         | 26,887         |
| Transfers between funds                                 |       | (74)         | -                 | 74             | -              |
| <b>Other recognised gains and losses</b>                |       |              |                   |                |                |
| Actuarial losses on defined benefit pension schemes     | 23    | -            | (5,177)           | -              | (5,177)        |
| <b>Net movement in funds</b>                            |       | <u>2,373</u> | <u>(7,911)</u>    | <u>27,248</u>  | <u>21,710</u>  |
| <b>Reconciliation of funds</b>                          |       |              |                   |                |                |
| Total funds brought forward                             |       | 802          | (4,769)           | 90,078         | 86,111         |
| Total funds carried forward                             |       | <u>3,175</u> | <u>(12,680)</u>   | <u>117,326</u> | <u>107,821</u> |

# THE ACTIVE LEARNING TRUST LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2017

|                                                         |       | 2017    |          | 2016    |          |
|---------------------------------------------------------|-------|---------|----------|---------|----------|
|                                                         | Notes | £'000   | £'000    | £'000   | £'000    |
| <b>Fixed assets</b>                                     |       |         |          |         |          |
| Tangible assets                                         | 12    |         | 125,724  |         | 117,061  |
| <b>Current assets</b>                                   |       |         |          |         |          |
| Stocks                                                  | 14    | 14      |          | 19      |          |
| Debtors                                                 | 15    | 1,710   |          | 1,054   |          |
| Cash at bank and in hand                                | 20    | 7,902   |          | 6,041   |          |
|                                                         |       | 9,626   |          | 7,114   |          |
| <b>Current liabilities</b>                              |       |         |          |         |          |
| Creditors: amounts falling due within one year          | 16    | (2,864) |          | (2,089) |          |
| <b>Net current assets</b>                               |       |         | 6,762    |         | 5,025    |
| <b>Total assets less current liabilities</b>            |       |         | 132,486  |         | 122,090  |
| Creditors: amounts falling due after more than one year | 18    |         | (236)    |         |          |
| <b>Net assets excluding pension liability</b>           |       |         | 132,250  |         | 122,090  |
| Defined benefit pension liability                       | 23    |         | (14,186) |         | (14,271) |
| <b>Net assets</b>                                       |       |         | 118,064  |         | 107,821  |
| <b>Funds of the academy trust:</b>                      |       |         |          |         |          |
| <b>Restricted funds</b>                                 | 19    |         |          |         |          |
| - Fixed asset funds                                     |       |         | 126,743  |         | 117,326  |
| - Restricted income funds                               |       |         | 841      |         | 1,592    |
| - Pension reserve                                       |       |         | (14,187) |         | (14,272) |
| <b>Total restricted funds</b>                           |       |         | 113,397  |         | 104,646  |
| <b>Unrestricted income funds</b>                        | 19    |         | 4,667    |         | 3,175    |
| <b>Total funds</b>                                      |       |         | 118,064  |         | 107,821  |

The accounts set out on pages 24 to 55 were approved by the board of trustees and authorised for issue on 13 December 2017 and are signed on its behalf by:

*Ms Lesley Adams*

Ms Lesley Adams

Company Number 07903002

# THE ACTIVE LEARNING TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

|                                                                    |       | 2017    |              | 2016    |              |
|--------------------------------------------------------------------|-------|---------|--------------|---------|--------------|
|                                                                    | Notes | £'000   | £'000        | £'000   | £'000        |
| <b>Cash flows from operating activities</b>                        |       |         |              |         |              |
| Net cash provided by operating activities                          | 24    |         | 454          |         | 669          |
| Cash funds transferred on conversion                               |       |         | 454          |         | 920          |
|                                                                    |       |         | <u>908</u>   |         | <u>1,589</u> |
| <b>Cash flows from investing activities</b>                        |       |         |              |         |              |
| Dividends, interest and rents from investments                     |       | 12      |              | 22      |              |
| Capital grants from DfE and ESFA                                   |       | 1,559   |              | 769     |              |
| Capital funding from sponsors and others                           |       | 810     |              | 65      |              |
| Purchase of tangible fixed assets                                  |       | (1,700) |              | (1,199) |              |
|                                                                    |       | <u></u> | 681          | <u></u> | (343)        |
| <b>Cash flows from financing activities</b>                        |       |         |              |         |              |
| New other loan                                                     |       | 279     |              | -       |              |
| Repayment of other loan                                            |       | (6)     |              | -       |              |
| Financing costs                                                    |       | (1)     |              | -       |              |
|                                                                    |       | <u></u> | 272          | <u></u> | -            |
| <b>Change in cash and cash equivalents in the reporting period</b> |       |         | <u>1,861</u> |         | <u>1,246</u> |
| Cash and cash equivalents at 1 September 2016                      |       |         | 6,041        |         | 4,795        |
| <b>Cash and cash equivalents at 31 August 2017</b>                 |       |         | <u>7,902</u> |         | <u>6,041</u> |
| <b>Relating to:</b>                                                |       |         |              |         |              |
| Bank and cash balances                                             |       |         | 6,462        |         | 6,041        |
| Short term deposits                                                |       |         | 1,440        |         | -            |
| <b>Total cash and cash equivalents</b>                             |       |         | <u>7,902</u> |         | <u>6,041</u> |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

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

#### 1.1 Basis of preparation

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

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

#### 1.2 Going concern

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

#### 1.3 Conversion to an academy trust

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

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

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

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

#### 1.4 Income

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

##### Grants receivable

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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

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

#### Donations

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

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

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

### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### Charitable activities

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

#### 1.6 Tangible fixed assets and depreciation

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

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

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

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

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

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

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

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

#### 1.7 Liabilities

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



# THE ACTIVE LEARNING TRUST LIMITED

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

---

### 1 Accounting policies

(Continued)

#### 1.8 Leasing and hire purchase commitments

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.10 Stock

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

#### 1.11 Taxation

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

#### 1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

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

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

#### 1.13 Fund accounting

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

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

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

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

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

#### Critical areas of judgement

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

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

### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants  | -                              | 2,369                        | 2,369                  | 834                    |
| Other donations | 65                             | 20                           | 85                     | 67                     |
|                 | <u>65</u>                      | <u>2,389</u>                 | <u>2,454</u>           | <u>901</u>             |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

|                                                                          | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|--------------------------------------------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| <b>DfE / ESFA grants</b>                                                 |                                |                              |                        |                        |
| General annual grant (GAG)                                               | -                              | 31,285                       | 31,285                 | 28,037                 |
| Start up grants                                                          | -                              | 149                          | 149                    | 128                    |
| Other DfE / ESFA grants                                                  | -                              | 2,525                        | 2,525                  | 2,295                  |
|                                                                          | -                              | 33,959                       | 33,959                 | 30,460                 |
| <b>Other government grants</b>                                           |                                |                              |                        |                        |
| Local authority grants                                                   | -                              | 3,997                        | 3,997                  | 1,799                  |
| Special educational projects                                             | -                              | 44                           | 44                     | -                      |
|                                                                          | -                              | 4,041                        | 4,041                  | 1,799                  |
| <b>Other funds</b>                                                       |                                |                              |                        |                        |
| Other incoming resources from the academy trust's educational operations | 102                            | -                            | 102                    | 139                    |
| <b>Total funding</b>                                                     | 102                            | 38,000                       | 38,102                 | 32,398                 |

### 5 Other trading activities

|                         | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|-------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities      | 227                            | -                            | 227                    | 205                    |
| Catering income         | 509                            | -                            | 509                    | 502                    |
| Music services income   | 34                             | -                            | 34                     | 35                     |
| AGF separate disclosure | 18                             | -                            | 18                     | 13                     |
| Other income            | 693                            | -                            | 693                    | 1,018                  |
|                         | 1,481                          | -                            | 1,481                  | 1,773                  |

### 6 Investment income

|                     | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|---------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Short term deposits | 12                             | -                            | 12                     | 22                     |

# THE ACTIVE LEARNING TRUST LIMITED

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

### 7 Expenditure

|                                                        | Staff<br>costs<br>£'000 | Premises<br>£'000 | Other<br>costs<br>£'000 | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|--------------------------------------------------------|-------------------------|-------------------|-------------------------|------------------------|------------------------|
| Expenditure on raising funds                           | -                       | -                 | 16                      | 16                     | 21                     |
| Academy's educational operations                       |                         |                   |                         |                        |                        |
| - Direct costs                                         | 24,207                  | -                 | 2,758                   | 26,965                 | 23,658                 |
| - Allocated support costs                              | 8,474                   | 2,412             | 4,650                   | 15,536                 | 12,110                 |
|                                                        | <u>32,681</u>           | <u>2,412</u>      | <u>7,424</u>            | <u>42,517</u>          | <u>35,789</u>          |
| <b>Total expenditure</b>                               | <u>32,681</u>           | <u>2,412</u>      | <u>7,424</u>            | <u>42,517</u>          | <u>35,789</u>          |
| <b>Net income/(expenditure) for the year includes:</b> |                         |                   |                         | <b>2017<br/>£'000</b>  | <b>2016<br/>£'000</b>  |
| Fees paid to auditor for audit services                |                         |                   |                         | 35                     | 32                     |
| Operating lease rentals                                |                         |                   |                         | 67                     | 74                     |
| Depreciation of tangible fixed assets                  |                         |                   |                         | <u>1,525</u>           | <u>1,426</u>           |

### Central services

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

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

The trust charges for these services on the following basis:

- a flat percentage of income at 4% of all GAG-related income
- Isle of Ely Primary School was opened on 1 September 2014 and was charged an additional amount for central services due to the higher level of services and support being provided, including a centrally-managed budget, together with planning and support in respect of a new school building project.

# THE ACTIVE LEARNING TRUST LIMITED

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

### 7 Expenditure

(Continued)

The amounts charged during the year were as follows:

|                            | Total<br>£'000 |
|----------------------------|----------------|
| The Neale-Wade Academy     | 253            |
| Burrowmoor Academy         | 59             |
| Westwood Academy           | 35             |
| Gusford Primary School     | 92             |
| Chesterton Primary School  | 23             |
| Red Oak Primary School     | 58             |
| Grove Primary School       | 48             |
| Sidegate Primary School    | 83             |
| Hillside Primary School    | 117            |
| Kingsfield Primary School  | 62             |
| Pakefield Primary School   | 59             |
| Reydon Primary School      | 27             |
| Isle of Ely Primary School | 50             |
| Chantry Academy            | 167            |
| Highfield Ely Academy      | 50             |
| Albert Pye Primary School  | 44             |
| Ravensmere Infant School   | 11             |
|                            | <u>1,238</u>   |

### 8 Charitable activities

|                                        | 2017<br>£'000 | 2016<br>£'000 |
|----------------------------------------|---------------|---------------|
| Direct costs - educational operations  | 26,965        | 23,658        |
| Support costs - educational operations | 15,536        | 12,110        |
|                                        | <u>42,501</u> | <u>35,768</u> |
|                                        |               |               |
|                                        | 2017<br>£'000 | 2016<br>£'000 |
| <b>Analysis of support costs</b>       |               |               |
| Support staff costs                    | 8,474         | 5,431         |
| Depreciation and amortisation          | 1,525         | 1,426         |
| Technology costs                       | 40            | 52            |
| Premises costs                         | 1,763         | 1,726         |
| Other support costs                    | 3,264         | 2,881         |
| Governance costs                       | 470           | 594           |
|                                        | <u>15,536</u> | <u>12,110</u> |

# THE ACTIVE LEARNING TRUST LIMITED

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

| 9 | Staff costs                                        | Total<br>2017<br>£'000 | Total<br>2016<br>£'000 |
|---|----------------------------------------------------|------------------------|------------------------|
|   | <b>a. Staff costs</b>                              |                        |                        |
|   | Wages and salaries                                 | 24,014                 | 20,139                 |
|   | Social security costs                              | 2,021                  | 1,413                  |
|   | Operating costs of defined benefit pension schemes | 5,648                  | 3,853                  |
|   |                                                    | <u>31,683</u>          | <u>25,405</u>          |
|   | Supply staff costs                                 | 814                    | 962                    |
|   | Staff restructuring costs                          | 51                     | 32                     |
|   |                                                    | <u>32,548</u>          | <u>26,399</u>          |
|   | Total staff expenditure                            |                        |                        |
|   |                                                    | <u>32,548</u>          | <u>26,399</u>          |
|   | Staff restructuring costs comprise:                |                        |                        |
|   | Severance payments                                 | 51                     | 32                     |
|   |                                                    | <u>51</u>              | <u>32</u>              |

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

Included in staff restructuring costs are non-statutory severance payments totalling £51,000 (2016: £32,057). Individually, the payments were: £22,800, £14,200 and £14,000.

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 together with the headteachers and executive headteachers of the trust's schools. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £2,234,000 (2016: £1,823,000).

### Staff numbers

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

|                            | 2017<br>Number | 2016<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 328            | 269            |
| Administration and support | 501            | 405            |
| Management                 | 62             | 63             |
|                            | <u>891</u>     | <u>737</u>     |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs Total (Continued)

#### Higher paid staff

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

|                     | 2017<br>Number    | 2016<br>Number    |
|---------------------|-------------------|-------------------|
| £60,001 - £70,000   | 11                | 11                |
| £70,001 - £80,000   | 2                 | 4                 |
| £80,001 - £90,000   | 3                 | 1                 |
| £90,001 - £100,000  | 2                 | 1                 |
| £100,001 - £110,000 | -                 | 1                 |
| £110,001 - £120,000 | 2                 | -                 |
|                     | <u>          </u> | <u>          </u> |

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

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

Mr G Peile - (staff trustee)

Remuneration: £110,000 - £115,000 (2016: £95,000 - £100,000)

Employer's pension contributions: £nil (2016: £nil)

Mr C Bush - (staff trustee)

Remuneration: £15,000 - £20,000 (2016: £15,000 - £20,000)

Employer's pension contributions: £nil (2016: £nil)

Mrs M Toft - (staff trustee who ceased to be a trustee on 22 August 2017)

Remuneration: £55,000 - £60,000 (2016: £50,000 - £55,000)

Employer's pension contributions: £nil (2016: £nil)

During the year ended 31 August 2017, expenses totalling £6,853 (2016: £4,189) were reimbursed to 8 trustees (2016: 6 trustees), consisting of travel and subsistence expenses of £6,853 (2016: £4,189).

Other related party transactions involving the trustees are set out in note 25.

### 11 Trustees and officers insurance

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



# THE ACTIVE LEARNING TRUST LIMITED

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

### 12 Tangible fixed assets

|                       | Land and<br>buildings<br>(long<br>leasehold)<br>£'000 | Computer<br>equipment<br>£'000 | Fixtures,<br>fittings &<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|-----------------------|-------------------------------------------------------|--------------------------------|-----------------------------------------------|----------------------------|----------------|
| <b>Cost</b>           |                                                       |                                |                                               |                            |                |
| At 1 September 2016   | 118,154                                               | 1,161                          | 1,417                                         | 37                         | 120,769        |
| Additions             | 9,276                                                 | 520                            | 371                                           | 15                         | 10,182         |
| At 31 August 2017     | 127,430                                               | 1,681                          | 1,788                                         | 52                         | 130,951        |
| <b>Depreciation</b>   |                                                       |                                |                                               |                            |                |
| At 1 September 2016   | 2,308                                                 | 885                            | 500                                           | 9                          | 3,702          |
| Charge for the year   | 1,129                                                 | 170                            | 214                                           | 12                         | 1,525          |
| At 31 August 2017     | 3,437                                                 | 1,055                          | 714                                           | 21                         | 5,227          |
| <b>Net book value</b> |                                                       |                                |                                               |                            |                |
| At 31 August 2017     | 123,993                                               | 626                            | 1,074                                         | 31                         | 125,724        |
| At 31 August 2016     | 115,846                                               | 276                            | 917                                           | 28                         | 117,067        |

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

- the taking up of a leasehold on Highfield Ely Academy for £4,360,000 over a term of 125 years
- the taking up of a leasehold on Albert Pye Primary School for £3,592,322 over a term of 125 years
- the taking up of a leasehold on Ravensmere Infant School £529,956 over a term of 125 years

The net book value of land and buildings comprises:

|                                 | 2017<br>£'000 | 2016<br>£'000 |
|---------------------------------|---------------|---------------|
| Freeholds                       | 65            | -             |
| Long leaseholds (over 50 years) | 124,058       | 115,846       |

### 13 Financial instruments

|                                                 | 2017<br>£'000 | 2016<br>£'000 |
|-------------------------------------------------|---------------|---------------|
| <b>Carrying amount of financial assets</b>      |               |               |
| Debt instruments measured at amortised cost     | 30,654        | 47,122        |
| <b>Carrying amount of financial liabilities</b> |               |               |
| Measured at amortised cost                      | 459,822       | 530,728       |

# THE ACTIVE LEARNING TRUST LIMITED

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

|           |                                                       |                   |                   |
|-----------|-------------------------------------------------------|-------------------|-------------------|
| <b>14</b> | <b>Stocks</b>                                         | <b>2017</b>       | <b>2016</b>       |
|           |                                                       | <b>£'000</b>      | <b>£'000</b>      |
|           | School uniform                                        | 14                | 19                |
|           |                                                       | <u>          </u> | <u>          </u> |
| <b>15</b> | <b>Debtors</b>                                        | <b>2017</b>       | <b>2016</b>       |
|           |                                                       | <b>£'000</b>      | <b>£'000</b>      |
|           | Trade debtors                                         | 31                | 47                |
|           | VAT recoverable                                       | 172               | 129               |
|           | Prepayments and accrued income                        | 1,507             | 878               |
|           |                                                       | <u>          </u> | <u>          </u> |
|           |                                                       | 1,710             | 1,054             |
|           |                                                       | <u>          </u> | <u>          </u> |
| <b>16</b> | <b>Creditors: amounts falling due within one year</b> | <b>2017</b>       | <b>2016</b>       |
|           |                                                       | <b>£'000</b>      | <b>£'000</b>      |
|           | Government loans                                      | 20                | -                 |
|           | Salix loans (due within 1 year)                       | 17                | -                 |
|           | Trade creditors                                       | 356               | 530               |
|           | Other taxation and social security                    | 469               | 430               |
|           | Other creditors                                       | 474               | 414               |
|           | Accruals and deferred income                          | 1,528             | 715               |
|           |                                                       | <u>          </u> | <u>          </u> |
|           |                                                       | 2,864             | 2,089             |
|           |                                                       | <u>          </u> | <u>          </u> |

The Trust agreed a loan from the Department for Education under the Capital Pilot Loan Programme and drew an amount of £86,426 in the year. A further drawdown of £201,427 will be made during the year ending 31 August 2018. The loan will be repayable at an interest rate of 1.75% and repayable over a term of 8 years. The amount due within one year is £17,277. As part of the above agreement, the Trust was granted an interest-free Salix loan of £12,000 which is repayable over a term of 8 years. The amount due within one year is £750.

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

The Trust inherited a loan from Cambridgeshire County Council on conversion of Highfield Ely Academy under the Mobilising Local Energy Investment initiative. The total balance introduced at 1 September 2016 amounted to £59,759 with a term of 15 years at an annual interest rate of 2.65%. The amount due within one year is £4,875. The Trust also inherited an interest-free Salix loan on conversion of Highfield Ely Academy. The total balance introduced at 1 September 2016 amounted to £101,086 which is repayable over a term of 8 years. The amount due within one year is £12,636.

# THE ACTIVE LEARNING TRUST LIMITED

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

|           |                                                                                     |              |              |
|-----------|-------------------------------------------------------------------------------------|--------------|--------------|
| <b>17</b> | <b>Deferred income</b>                                                              | <b>2017</b>  | <b>2016</b>  |
|           |                                                                                     | <b>£'000</b> | <b>£'000</b> |
|           | Deferred income is included within creditors, under "Accruals and deferred income": |              |              |
|           | Deferred income at 1 September 2016                                                 | 505          | 186          |
|           | Released from previous years                                                        | (505)        | (186)        |
|           | Amounts deferred in the year                                                        | 449          | 505          |
|           |                                                                                     | <u>449</u>   | <u>505</u>   |
|           | <b>Deferred income at 31 August 2017</b>                                            | <b>449</b>   | <b>505</b>   |
|           |                                                                                     | <u>449</u>   | <u>505</u>   |

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Free School Meals of £350,000, EFSA Pupil Number Adjustment of £248,000, Local Authority Social Mobility Project funding of £240,000, rates income of £76,000, trip and club income of £24,000, Local Authority Early Years funding of £37,000, other grant funding of £39,000 Sports Grant of £4,000, energy feed-in-tariff payments of £9,000 and other funds of £6,000.

|           |                                                                |              |              |
|-----------|----------------------------------------------------------------|--------------|--------------|
| <b>18</b> | <b>Creditors: amounts falling due after more than one year</b> | <b>2017</b>  | <b>2016</b>  |
|           |                                                                | <b>£'000</b> | <b>£'000</b> |
|           | Government loans                                               | 122          | -            |
|           | Other loans (Salix loans due over 1 year)                      | 114          | -            |
|           |                                                                | <u>236</u>   | <u>-</u>     |
|           |                                                                | <u>236</u>   | <u>-</u>     |
|           | <b>Analysis of loans</b>                                       |              |              |
|           | Not wholly repayable within five years by instalments          | 63           | -            |
|           | Wholly repayable within five years                             | 210          | -            |
|           |                                                                | <u>273</u>   | <u>-</u>     |
|           | Less: included in current liabilities                          | (37)         | -            |
|           |                                                                | <u>236</u>   | <u>-</u>     |
|           | Amounts included above                                         | <u>236</u>   | <u>-</u>     |
|           |                                                                | <u>236</u>   | <u>-</u>     |
|           | <b>Loan maturity</b>                                           |              |              |
|           | Debt due in one year or less                                   | 37           | -            |
|           | Due in more than one year but not more than two years          | 60           | -            |
|           | Due in more than two years but not more than five years        | 113          | -            |
|           | Due in more than five years                                    | 63           | -            |
|           |                                                                | <u>273</u>   | <u>-</u>     |
|           |                                                                | <u>273</u>   | <u>-</u>     |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

|    |                                                         | (Continued)    |
|----|---------------------------------------------------------|----------------|
| 18 | Creditors: amounts falling due after more than one year | 2017      2016 |

The Trust's loan from the Department for Education under the Capital Pilot Loan Programme has amounts due after more than one year of £69,149. A further drawdown of £201,427 will be made during the year ending 31 August 2018. The amount repayable after more than one year of the interest-free Salix loan amounts to £11,250.

The Trust inherited two interest-free Salix loans on conversion of Albert Pye Primary School. The amount due after more than one year amount to £14,416.

The Trust inherited a loan from Cambridgeshire County Council on conversion of Highfield Ely Academy under the Mobilising Local Energy Investment initiative. The amount repayable after more than one year is £73,423. The Trust also inherited an interest-free Salix loan for which the amount repayable after more than one year amounts to £88,450.

#### 19 Funds

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

# THE ACTIVE LEARNING TRUST LIMITED

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

---

### 19 Funds

(Continued)

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

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

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Funds

(Continued)

#### Movements in funds - previous year

|                                     | Balance at<br>1 September<br>2015<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2016<br>£'000 |
|-------------------------------------|--------------------------------------------|-----------------|----------------------|--------------------------------------------|------------------------------------------|
| <b>Restricted general funds</b>     |                                            |                 |                      |                                            |                                          |
| General Annual Grant                | 2,222                                      | 28,037          | (28,667)             | -                                          | 1,592                                    |
| Start up grants                     | 197                                        | 128             | (325)                | -                                          | -                                        |
| Pupil Premium                       | -                                          | 2,295           | (2,295)              | -                                          | -                                        |
| Other government grants             | 93                                         | 1,799           | (1,892)              | -                                          | -                                        |
| Other restricted funds              | -                                          | 274             | (274)                | -                                          | -                                        |
|                                     | <u>2,512</u>                               | <u>32,533</u>   | <u>(33,453)</u>      | <u>-</u>                                   | <u>1,592</u>                             |
| Funds excluding pensions            | (7,281)                                    | (1,080)         | (734)                | (5,177)                                    | (14,272)                                 |
|                                     | <u>(4,769)</u>                             | <u>31,453</u>   | <u>(34,187)</u>      | <u>(5,177)</u>                             | <u>(12,680)</u>                          |
| <b>Restricted fixed asset funds</b> |                                            |                 |                      |                                            |                                          |
| Transferred on conversion           | 89,309                                     | 27,766          | (1,239)              | -                                          | 115,836                                  |
| DfE / ESFA capital grants           | 769                                        | 834             | (187)                | 74                                         | 1,490                                    |
|                                     | <u>90,078</u>                              | <u>28,600</u>   | <u>(1,426)</u>       | <u>74</u>                                  | <u>117,326</u>                           |
| <b>Total restricted funds</b>       | <u>85,309</u>                              | <u>60,053</u>   | <u>(35,613)</u>      | <u>(5,103)</u>                             | <u>104,646</u>                           |
| <b>Unrestricted funds</b>           |                                            |                 |                      |                                            |                                          |
| General funds                       | 802                                        | 2,623           | (176)                | (74)                                       | 3,175                                    |
| <b>Total funds</b>                  | <u>86,111</u>                              | <u>62,676</u>   | <u>(35,789)</u>      | <u>(5,177)</u>                             | <u>107,821</u>                           |

# THE ACTIVE LEARNING TRUST LIMITED

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

### 19 Funds

(Continued)

#### Total funds analysis by academy

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

# THE ACTIVE LEARNING TRUST LIMITED

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

### 19 Funds

(Continued)

#### Total cost analysis by academy

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

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

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



# THE ACTIVE LEARNING TRUST LIMITED

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

### 19 Funds

(Continued)

#### Funds analysis by academy - previous year

|                                                            | Total<br>2016<br>£'000 |
|------------------------------------------------------------|------------------------|
| Fund balances at 31 August 2016 were allocated as follows: |                        |
| The Neale-Wade Academy                                     | 1,393                  |
| Burrowmoor Academy                                         | 268                    |
| Westwood Academy                                           | 183                    |
| Gusford Primary School                                     | 213                    |
| Chesterton Primary School                                  | 95                     |
| Red Oak Primary School                                     | 299                    |
| Grove Primary School                                       | 91                     |
| Sidegate Primary School                                    | 125                    |
| Hillside Primary School                                    | 304                    |
| Kingsfield Primary School                                  | 191                    |
| Pakefield Primary School                                   | 61                     |
| Reydon Primary School                                      | 110                    |
| Isle of Ely Primary School                                 | 90                     |
| Chantry Academy                                            | 757                    |
| Central services                                           | 587                    |
| Total before fixed assets fund and pension reserve         | 4,767                  |
| Restricted fixed asset fund                                | 117,326                |
| Pension reserve                                            | (14,272)               |
| Total funds                                                | 107,821                |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Funds

(Continued)

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

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

|                            | Teaching and<br>educational<br>support staff<br>costs<br>£'000 | Other<br>support staff<br>costs<br>£'000 | Educational<br>supplies<br>£'000 | Other costs<br>excluding<br>depreciation<br>£'000 | Total<br>2016<br>£'000 |
|----------------------------|----------------------------------------------------------------|------------------------------------------|----------------------------------|---------------------------------------------------|------------------------|
| The Neale-Wade Academy     | 5,059                                                          | 946                                      | 180                              | 2,197                                             | 8,382                  |
| Burrowmoor Academy         | 1,492                                                          | 462                                      | 28                               | 153                                               | 2,135                  |
| Westwood Academy           | 661                                                            | 162                                      | 44                               | 258                                               | 1,125                  |
| Gusford Primary School     | 1,817                                                          | 448                                      | 38                               | 353                                               | 2,656                  |
| Chesterton Primary School  | 275                                                            | 78                                       | 10                               | 145                                               | 508                    |
| Red Oak Primary School     | 1,081                                                          | 211                                      | 48                               | 389                                               | 1,729                  |
| Grove Primary School       | 1,008                                                          | 161                                      | 22                               | 280                                               | 1,471                  |
| Sidegate Primary School    | 1,903                                                          | 358                                      | 24                               | 434                                               | 2,719                  |
| Hillside Primary School    | 1,719                                                          | 334                                      | 56                               | 598                                               | 2,707                  |
| Kingsfield Primary School  | 1,388                                                          | 385                                      | 49                               | 242                                               | 2,064                  |
| Pakefield Primary School   | 1,217                                                          | 295                                      | 30                               | 307                                               | 1,849                  |
| Reydon Primary School      | 446                                                            | 76                                       | 26                               | 182                                               | 730                    |
| Isle of Ely Primary School | 307                                                            | 45                                       | 19                               | 221                                               | 592                    |
| Chantry Academy            | 2,799                                                          | 727                                      | 73                               | 1,062                                             | 4,661                  |
| Central services           | -                                                              | 737                                      | -                                | 277                                               | 1,014                  |
|                            | <u>21,172</u>                                                  | <u>5,425</u>                             | <u>647</u>                       | <u>7,098</u>                                      | <u>34,342</u>          |

### 20 Analysis of cash and cash equivalents

|                                        | 2017<br>£'000 | 2016<br>£'000 |
|----------------------------------------|---------------|---------------|
| Cash in hand and at bank               | 6,462         | 6,041         |
| Notice deposits (less than 3 months)   | 1,440         | -             |
| <b>Total cash and cash equivalents</b> | <b>7,902</b>  | <b>6,041</b>  |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 21 Analysis of net assets between funds

|                                                            | Unrestricted<br>Funds<br>£'000 | Restricted funds:<br>General<br>£'000 | Fixed asset<br>£'000 | Total<br>2017<br>£'000 |
|------------------------------------------------------------|--------------------------------|---------------------------------------|----------------------|------------------------|
| <b>Fund balances at 31 August 2017 are represented by:</b> |                                |                                       |                      |                        |
| Tangible fixed assets                                      | -                              | 71                                    | 125,653              | 125,724                |
| Current assets                                             | 4,585                          | 3,951                                 | 1,090                | 9,626                  |
| Creditors falling due within one year                      | 82                             | (2,946)                               | -                    | (2,864)                |
| Creditors falling due after one year                       | -                              | (236)                                 | -                    | (236)                  |
| Defined benefit pension liability                          | -                              | (14,186)                              | -                    | (14,186)               |
|                                                            | <u>4,667</u>                   | <u>(13,346)</u>                       | <u>126,743</u>       | <u>118,064</u>         |
|                                                            |                                |                                       |                      |                        |
|                                                            | Unrestricted<br>Funds<br>£'000 | Restricted funds:<br>General<br>£'000 | Fixed asset<br>£'000 | Total<br>2016<br>£'000 |
| <b>Fund balances at 31 August 2016 are represented by:</b> |                                |                                       |                      |                        |
| Tangible fixed assets                                      | -                              | -                                     | 117,067              | 117,067                |
| Current assets                                             | 3,379                          | 3,476                                 | 259                  | 7,114                  |
| Creditors falling due within one year                      | (204)                          | (1,885)                               | -                    | (2,089)                |
| Defined benefit pension liability                          | -                              | (14,271)                              | -                    | (14,271)               |
|                                                            | <u>3,175</u>                   | <u>(12,680)</u>                       | <u>117,326</u>       | <u>107,821</u>         |

### 22 Commitments under operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases were as follows:

|                                   | 2017<br>£'000 | 2016<br>£'000 |
|-----------------------------------|---------------|---------------|
| Amounts due within one year       | 80            | 40            |
| Amounts due in two and five years | 141           | 38            |
| Amounts due after five years      | 1             | -             |
|                                   | <u>222</u>    | <u>78</u>     |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 23 Pensions and similar obligations

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

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

Contributions amounting to £272,000 (2016: £247,000) were payable to the TPS scheme and contributions amounting to £203,000 (2016: £166,000) were payable to the LGPS scheme at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £2,221,000 (2016: £1,883,000)

# THE ACTIVE LEARNING TRUST LIMITED

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

### 23 Pensions and similar obligations

(Continued)

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14 to 24.3% for employers and 5.5 to 9.9% for employees. The estimated value of employer contributions for the forthcoming year is £2,033,000 (2016: £1,517,000.)

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

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

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

| Total contributions made                 | 2017<br>£'000 | 2016<br>£'000 |
|------------------------------------------|---------------|---------------|
| Employer's contributions                 | 2,010         | 1,550         |
| Employees' contributions                 | 528           | 413           |
| Total contributions                      | <u>2,538</u>  | <u>1,963</u>  |
| Principal actuarial assumptions          | 2017<br>%     | 2016<br>%     |
| Rate of increases in salaries            | 2.7           | 4.1           |
| Rate of increase for pensions in payment | 2.4           | 2.1           |
| Discount rate                            | 2.5           | 2.1           |
| Inflation assumption (CPI)               | <u>2.4</u>    | <u>2.1</u>    |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 23 Pensions and similar obligations

(Continued)

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

|                      | 2017<br>Years | 2016<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 22.1          | 22.4          |
| - Females            | 24.4          | 24.4          |
| Retiring in 20 years |               |               |
| - Males              | 23.9          | 24.3          |
| - Females            | 26.4          | 26.9          |

#### Sensitivity analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries engaged by the academy trust, Hymans Robertson LLP, have calculated and compared the value of the scheme liabilities as at 31 August 2017 on varying bases. The approach taken is consistent with that adopted to derive the pension scheme valuation reports used within the preparation of these financial statements. The sensitivities regarding the principal assumptions used to measure the pension scheme liabilities are set-out below:

|                               | 2017<br>£'000 | 2016<br>£'000 |
|-------------------------------|---------------|---------------|
| Discount rate + 0.1%          | 794           | 691           |
| Mortality assumption + 1 year | 1,229         | 810           |
| CPI rate + 0.1%               | 638           | 454           |

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

|                                              | 2017<br>Fair value<br>£'000 | 2016<br>Fair value<br>£'000 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Equities                                     | 12,113                      | 9,111                       |
| Bonds                                        | 2,978                       | 2,309                       |
| Cash                                         | 310                         | 226                         |
| Property                                     | 1,475                       | 1,130                       |
| Total market value of assets                 | 16,876                      | 12,776                      |
| Actual return on scheme assets - gain/(loss) | 952                         | 1,819                       |

# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

|                                                                                                                                                                                                                             |                    |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| <b>23 Pensions and similar obligations</b>                                                                                                                                                                                  | <b>(Continued)</b> |               |
| <b>Amounts recognised in the Statement of Financial Activities</b>                                                                                                                                                          | <b>2017</b>        | <b>2016</b>   |
|                                                                                                                                                                                                                             | <b>£'000</b>       | <b>£'000</b>  |
| Current service cost                                                                                                                                                                                                        | 3,515              | 1,961         |
| Interest income                                                                                                                                                                                                             | (303)              | (374)         |
| Interest cost                                                                                                                                                                                                               | 673                | 697           |
| Total operating charge                                                                                                                                                                                                      | <u>3,885</u>       | <u>2,284</u>  |
| <b>Commutation</b>                                                                                                                                                                                                          |                    |               |
| An allowance is included for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum tax-free cash for post-April 2008 service. |                    |               |
| <b>Changes in the present value of defined benefit obligations</b>                                                                                                                                                          | <b>2017</b>        | <b>2016</b>   |
|                                                                                                                                                                                                                             | <b>£'000</b>       | <b>£'000</b>  |
| Obligations at 1 September 2016                                                                                                                                                                                             | 27,047             | 14,383        |
| Obligations acquired on conversion                                                                                                                                                                                          | 2,807              | 2,995         |
| Current service cost                                                                                                                                                                                                        | 3,515              | 1,961         |
| Interest cost                                                                                                                                                                                                               | 673                | 697           |
| Employee contributions                                                                                                                                                                                                      | 528                | 413           |
| Actuarial (gain)/loss                                                                                                                                                                                                       | (3,331)            | 6,622         |
| Benefits paid                                                                                                                                                                                                               | (177)              | (24)          |
| At 31 August 2017                                                                                                                                                                                                           | <u>31,062</u>      | <u>27,047</u> |
| <b>Changes in the fair value of the academy trust's share of scheme assets</b>                                                                                                                                              | <b>2017</b>        | <b>2016</b>   |
|                                                                                                                                                                                                                             | <b>£'000</b>       | <b>£'000</b>  |
| Assets at 1 September 2016                                                                                                                                                                                                  | 12,776             | 7,103         |
| Assets acquired on conversion                                                                                                                                                                                               | 787                | 1,915         |
| Interest income                                                                                                                                                                                                             | 303                | 374           |
| Actuarial gain                                                                                                                                                                                                              | 649                | 1,445         |
| Employer contributions                                                                                                                                                                                                      | 2,010              | 1,550         |
| Employee contributions                                                                                                                                                                                                      | 528                | 413           |
| Benefits paid                                                                                                                                                                                                               | (177)              | (24)          |
| At 31 August 2017                                                                                                                                                                                                           | <u>16,876</u>      | <u>12,776</u> |
| Actuarial gains/(losses) on defined benefit pension schemes                                                                                                                                                                 | 3,980              | (5,177)       |
| Defined benefit pension liability                                                                                                                                                                                           | (14,186)           | (14,271)      |

# THE ACTIVE LEARNING TRUST LIMITED

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

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

|                                                          | 2017<br>£'000 | 2016<br>£'000 |
|----------------------------------------------------------|---------------|---------------|
| Net income for the reporting period                      | 6,263         | 26,887        |
| Adjusted for:                                            |               |               |
| Net surplus on conversion to academy                     | (6,731)       | (27,582)      |
| Capital grants from DfE/ESFA and other capital income    | (2,369)       | (834)         |
| Investment income receivable                             | (12)          | (22)          |
| Finance costs payable                                    | 1             | -             |
| Defined benefit pension costs less contributions payable | 1,505         | 411           |
| Defined benefit pension net finance cost                 | 370           | 323           |
| Depreciation of tangible fixed assets                    | 1,525         | 1,426         |
| Decrease/(increase) in stocks                            | 5             | (8)           |
| (Increase) in debtors                                    | (656)         | (451)         |
| Increase in creditors                                    | 738           | 513           |
| Stocks, debtors and creditors transferred on conversion  | (185)         | 6             |
| <b>Net cash provided by operating activities</b>         | <b>454</b>    | <b>669</b>    |

### 25 Capital commitments

|                                                             | 2017<br>£'000 | 2016<br>£'000 |
|-------------------------------------------------------------|---------------|---------------|
| Expenditure contracted for but not provided in the accounts | 619,000       | -             |

Capital commitments at 31 August 2017 relate to the Littleport school development and capital projects at the Trust's schools.

### 26 Related party transactions

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

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in Note 9.

### 27 Members' liability

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



# THE ACTIVE LEARNING TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 28 Conversion to an academy

On 1 October 2016 Highfield School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Active Learning Trust Limited from the Cambridgeshire County Council for £nil consideration.

On 1 November 2016 Albert Pye Primary School and Ravensmere Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Active Learning Trust Limited from the Suffolk County Council for £nil consideration.

The transfers have 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 |
|---------------------------|----------------|--------------------|
| Highfield Ely Academy     | Cambridgeshire | 1 September 2016   |
| Albert Pye Primary School | Beccles        | 1 October 2016     |
| Ravensmere Infant School  | Beccles        | 1 October 2016     |

| Net assets transferred:        | 2017<br>£'000 |
|--------------------------------|---------------|
| Freehold land and buildings    | 8,482         |
| Cash                           | 454           |
| Borrowing obligations          | (181)         |
| LGPS pension surplus/(deficit) | (2,020)       |
| Current assets                 | 11            |
| Current liabilities            | (15)          |
|                                | <u>6,731</u>  |

|                                      | Unrestricted<br>Funds<br>£'000 | Restricted funds: |                      | Total<br>2017<br>£'000 |
|--------------------------------------|--------------------------------|-------------------|----------------------|------------------------|
| Funds surplus/(deficit) transferred: | £'000                          | General<br>£'000  | Fixed asset<br>£'000 | £'000                  |
| Fixed assets funds                   | -                              | -                 | 8,644                | 8,644                  |
| LA budget funds                      | -                              | 107               | -                    | 107                    |
| LGPS pension funds                   | -                              | (2,020)           | -                    | (2,020)                |
|                                      | <u>-</u>                       | <u>(1,913)</u>    | <u>8,644</u>         | <u>6,731</u>           |

The land and buildings transferred are held on 125 year leases.