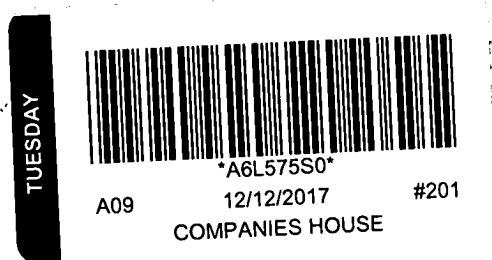


Areté Learning Trust
(A Company Limited by Guarantee)

Financial Statements
for the Year Ended 31 August 2017

“Registrar of Companies Copy”
Registered Number: 09471240



Areté Learning Trust
(A Company Limited by Guarantee)

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for the Year Ended 31 August 2017

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Areté Learning Trust
(A Company Limited by Guarantee)
for the Year Ended 31 August 2017
Reference and Administrative Information

MEMBERS

Mr P Bartlett	
Mr G Henderson	
Rev P Hutchinson	
Mr N Land	Chair
Mrs K Pickering	
Mrs Helen Boal – Founding Member	resigned with effect from 26 May 2017

TRUSTEES

Mr P Bartlett	Chairman
Mr S Brennan	
Mrs C M Brooker (CEO)	
Mr M Foster	
Revd P Hutchinson	
Mr A Price	

SENIOR MANAGEMENT TEAM

Mrs C M Brooker	Principal
Mrs H L Millett (appointed 24 April 2017)	Head of School
Mr P Fazakerley	Vice Principal
Mr C Dolby	Vice Principal
Mrs M Stanley	Vice Principal
Mr R McGreal	Assistant Principal
Mrs S McGreal	Assistant Principal
Mrs P Knapper	Assistant Principal

COMPANY NAME

Areté Learning Trust

PRINCIPAL AND REGISTERED OFFICE

Stokesley School
Station Road
Stokesley
North Yorkshire
TS9 5AL

COMPANY REGISTRATION NUMBER

09471240

BANKERS

Lloyds Bank
37 Westgate
Guisborough
TS12 6BD

INDEPENDENT AUDITOR

Anderson Barrowcliff LLP
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

SOLICITORS

Wrigleys
19 Cookridge Street
Leeds
LS2 3AG

Areté Learning Trust
(A Company Limited by Guarantee)

Trustees' Report
for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust currently operates an academy for pupils aged 11 to 18 serving a catchment area in North Yorkshire but drawing students from neighbouring areas, including Middlesbrough and Redcar & Cleveland. It has a pupil capacity of 1,410 and had a roll of 1,174 in the school census Autumn 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Areté Learning Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Arété Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Arété Learning Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees and governors benefit from indemnity insurance to cover liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of Trust or duty of which they may be guilty in relation to the Trust. The insurance provides cover up to £2,000,000 on any one claim. The Trust subscribes to the DfE's Risk Protection Arrangement (RPA) which is an alternative to commercial insurance for Academy Trusts. The RPA covers a broad spectrum of assets and risks, including trustee and governor liability at a cost of £20 per student which is deducted from the GAG. For 16/17 the cost of the RPA was £24,000. The Trust invests in additional Directors and Officers Liability insurance.

Method of Recruitment and Appointment or Election of Trustees

Trustees may be appointed provided that such a Trustee is a person with sufficient local knowledge of the area within which the Trust is located to represent the interests of the local community or bring skills to the Board which will be of benefit to the Trust. When established, the Trust appointed Trustees whose range of skills were of particular benefit to a Trust board. The Trust has a written statement of principles for recruitment of future additional Trustees: Arété Learning Recruitment/Appointment Principles July 2017. The Trust has appointed a local governing body for Stokesley School which includes at least two parent governors. Trustees are appointed for a four year term save for the CEO who is entitled to be a trustee for as long as he or she is in post. Trustees are eligible to be re-elected at the end of their term. There is no limit to the number of terms a trustee may serve.

The Local Governing Body of Stokesley School meets monthly; with the majority of strategic decisions being made at Board level, the local governing body's primary responsibility is to provide support and challenge to the Principal of Stokesley School in terms of securing high standards of achievement for all students and to ensure that all statutory responsibilities, particularly with regard to Health & Safety, Safeguarding and wellbeing are fulfilled.

The Principal and her Senior Leadership Team are responsible for the day to day management of Stokesley School, for acting upon strategic decisions taken by the Board and/or local governing body of that school and ensuring that improvement priorities are identified, agreed and addressed.

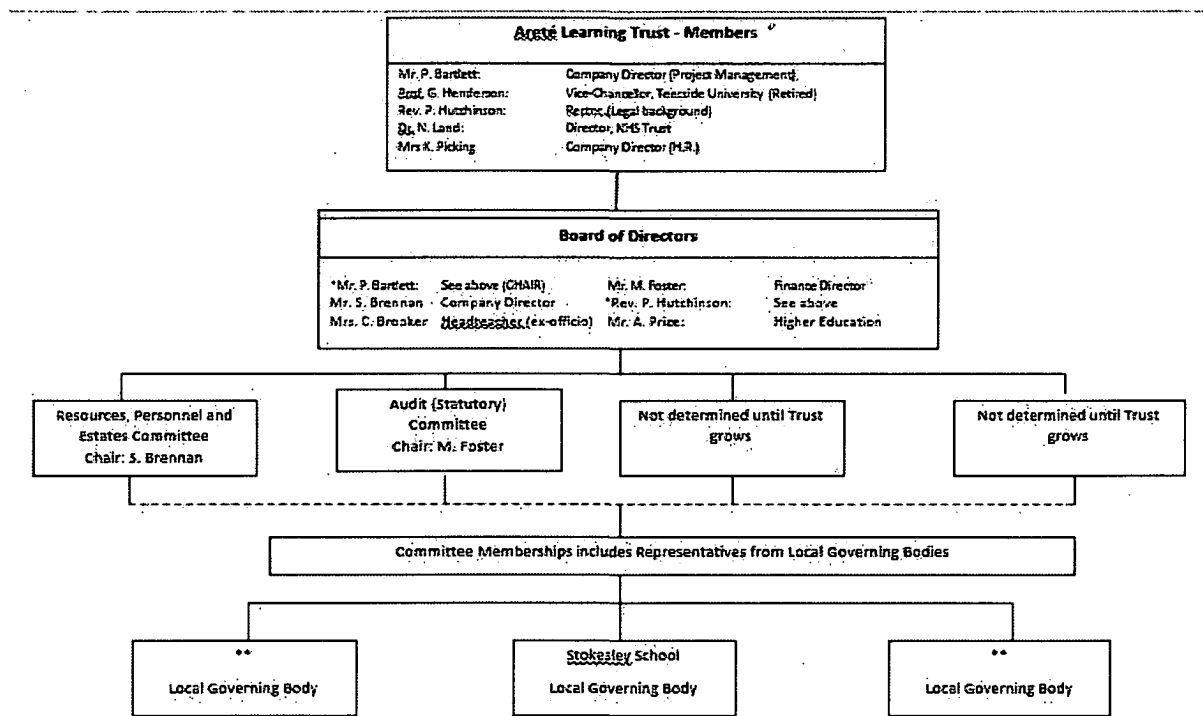
Areté Learning Trust
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Trustees' Report
for the Year Ended 31 August 2017 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with support and training following their appointment, through bespoke in-house training from established Trustees and as part of training commissioned from local authorities, our solicitors and our HR advisers. As members of FASNA (Freedom and Autonomy for Schools – National Association) as well as the National Governors' Association, training and professional learning is also accessed from these bodies. New Trustees are actively encouraged to develop their knowledge and skills to enable them to fulfil their responsibilities effectively. The skills of the current Trustees include those of a finance director, a director with a background in Law as well as company directors; their skills are employed in providing training for the whole Board as well as for school governors and executive staff.

Trust Organisational Structure



Management Structure

The levels of delegation to school leaders and governors are set out in the Scheme of Delegation and the more detailed annexe which outlines the main responsibilities of school leaders, local governing bodies, the CEO, and Board committees.

Arrangements for setting and remuneration of key management personnel

Apart from the CEO, who is also the Principal of Stokesley School, all other Trustees are non-executive and receive no remuneration for their work as Trustees. The CEO receives a salary commensurate with that she earned prior to taking up the additional responsibility as CEO. The Trust has an agreed policy which recognises and is based on the current National School Teachers' Pay and Conditions Document and which is reviewed by teachers' professional association representatives on an annual basis. Central to the policy is the Trust's wish to recognise and reward good and outstanding performance by ALT staff. Pay awards are made in line with clearly stated criteria for progression in the context of the National Standards for Teachers. The Board convenes a Remuneration Committee specifically for the appraisal and salary review of the CEO.

Areté Learning Trust
(A Company Limited by Guarantee)

Trustees' Report
for the Year Ended 31 August 2017 (continued)

Related parties and other connected charities and organisations

The Trust received no additional funding from sponsors, charities or other organisations during 2016/17.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Areté Learning Trust was set up on 1 April 2015, its principal aim being encompassed in its vision of -
"being the best we can be" by -

"uniting schools, communities and families to secure success for all young people"

"Being the Best We Can Be" (extract from our Scheme of Delegation)

Every academy within the Trust will have its own unique values and ethos but must be committed to the overarching principle of "being the best we can be", the mission statement of the Arété Learning Trust (ALT), which will underpin the work of all Trust academies. This is rooted in the shared belief that every child, whatever his or her circumstances and starting point, has unique skills and qualities and given the support, encouragement, opportunity and challenge to achieve, can do so. It is the commitment of the company to create a context for all children and young people to thrive, academically, personally and socially, so that they experience the real joy of learning.

The Board of Trustees agreed the following in August 2015:

We are committed to -

- seamless cross-phase learning to maximise students' progress and success
- securing quality of service by growing in a measured way, in terms of area and resource
- securing cost-effectiveness in all business activity, to enhance provision
- serving inclusively the local community of ALT academies
- accepting, as a sponsor, the broader moral responsibility for improving schools in need of support
- the principle of partnership between primary and secondary schools
- sustainable and measured growth as a Trust
- the aspiration of "being the best we can be" for all children and young people in ALT academies

Our purpose as a MAT is:

- to enable schools to work together, share expertise and maximise efficiency and effectiveness across the MAT
- to secure rapid and sustained improvement for any schools sponsored by the Trust
- to enable all children and young people in ALT Academies to leave our schools having achieved well, strengthened by the values and aspirations of the ALT and being well prepared to face the next challenge in their learning, personal and social development.

For the year 2016-17 the Trust's key priorities were:

- establishing the Trust's Business Plan – focusing on measured growth and recruitment of schools committed to the values and principles set out in the Trust's Business Plan.
- developing a Capacity Strategy to realise measured growth, with no compromise to aspirations for Stokesley School.
- ensuring that the Board has in place tested and tried policies and procedures in preparation for other schools seeking to join the Trust.
- ensuring financial reporting and analysis is robust, efficient and effective.
- securing the Trust's financial sustainability.
- developing the Trust's governance model, including self-evaluation.
- securing funding for much-needed premises development and improvement.

Areté Learning Trust
(A Company Limited by Guarantee)

Trustees' Report
for the Year Ended 31 August 2017 (continued)

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

Areté Learning Trust considers the Charity Commission's guidance on Public Benefit and has complied with it by delivering a high quality education for its students, evidenced by key performance indicators in terms of students' outcomes. Details of these can be found on Stokesley School's website.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Stokesley School is extremely popular and has had to increase the number of groups to accommodate successful mid-year applicants as well as increasing numbers joining in Year 7. The number applying for a place for September 2017 was further increased notwithstanding the increasingly competitive secondary educational environment including a new provider in the area. The student population of this ALT Academy is rising, albeit in the context of reduced numbers in feeder primary schools.

Two secondary schools have received academy orders and the process of their integration is well underway, one of the schools set to be a full partner in the Trust from 1 December 2017, the second school likely to convert and to join the Trust at the beginning of 2018.

In terms of governance and operational effectiveness, the Trust is in a strong position and will be further strengthened by its imminent growth. The Trust anticipates the Board membership being enhanced and thus strengthened in the light of its growth.

The Trust has sustained a strong financial position, in an extremely challenging national climate in terms of school funding. This has enabled the Trust to invest in school improvement projects, in terms of staffing, curriculum development and premises improvements. Successful CIF bids for circa £2million have made possible very significant buildings improvements.

Key performance indicators

The delivery by the Trust of the provision of a high quality education for its students, evidenced by key performance indicators in terms of students' outcomes, details of which can be found on Stokesley School's website. These include the following for 2017 -

34% students achieved at least 5 A*-A / Grades 7-9 GCSEs (or equivalent)

83% students achieved at least 5 A*-C / Grades 4-9 GCSEs (or equivalent)

100% students achieved at least 5 A*-G / Grades 1-9 GCSEs (or equivalent)

80% students achieved A*-C / Grades 4-9 in English and Maths*

55% students achieved The English Baccalaureate A*-C / 4-9 E&M

A positive Progress8 score of .38 evidences the Public benefit which the Trust provides for its students; an ALPS T score of 3 similarly evidences sustained success for its post 16 students.

Going Concern

Notwithstanding the increasing costs to the Trust, the Board of Trustees has a well-informed expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees have made an assessment of the funding for its one current academy reviewing the levels of income and potential changes in the costs structure. Whilst uncertainties clearly exist, the Trustees have considerable confidence in the Trust's financial security, having ensured that the Trust holds adequate reserves to secure its financial stability. Thus the Trust continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Areté Learning Trust
(A Company Limited by Guarantee)

Trustees' Report
for the Year Ended 31 August 2017 (continued)

OBJECTIVES AND ACTIVITIES (continued)

Financial Review

The Trust ended the year with a surplus of £218,000 (2016: surplus of £13,754,000 – including inherited assets of £13,570,000). This includes an actuarial gain of £345,000 on the LGPS. Total incoming resources amounted to £6,014,000 and total outgoing resources amounted to £6,141,000. The majority of income received was the GAG, which amounted to £5,391,187. Expenditure on charitable activities is detailed in note 7. The surplus on unrestricted funds was £5,000 and the unspent GAG was £233,000.

The trust had an in year surplus, before depreciation and actuarial adjustments, of £209,000. £272,000 was spent on fixed assets, therefore the trust is carrying forward reserves for its on going operations of £869,000 (2016: £932,000).

Despite carrying a £2,133,000 pension deficit, the Trust's balance sheet remains strong with net current assets of £803,000 and total net assets of £13,972,000. As explained in note 24 the pension fund deficit is not a liability which crystallises immediately and does not affect the resources the academy has to spend on its charitable activities

The Trust is satisfied with the period end financial position as the Trust is in a good position to deal with issues going forward, such as increased staffing costs and the Trust's ambition to improve the infrastructure of the school.

Reserves Policy

The ESFA are able to set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place as at April 2017. In the light of DfE expectation that Academy Trust's use their allocated funding for the full benefit of their current students, the Trust does not pursue a policy of building up a substantial surplus without having in place a clear plan for how it will be used to benefit its students and ALT's long-term development, as required.

The remaining funds in excess of working capital required for day to day operations are invested in a portfolio of bank and non-bank products in order to achieve a modest return at very low risk, whilst making funds available at 3 monthly intervals should they be required. The treasury management policy extract below sets out the context for investment.

The Trust maintains a reserves policy of 1 month GAG which equates to approximately £450,000. Funds are needed to be retained in order to develop the infrastructure of the school. Free reserves at the year end stand at £839,000, which is made up of unrestricted funds of £606,000 and unspent GAG of £233,000.

The restricted fixed asset fund is £15,236,000 made up of the net book value of fixed assets.

The pension deficit has decreased to £2,133,000 as a result of the latest actuarial valuation update, details of which are set out in note 24 in the accounts.

In 2016 it was agreed that the investment policy be changed to allow deposits of up to 12 months to be placed, rather than 6 months, in line with the Trust's investment strategy.

Areté Learning Trust
(A Company Limited by Guarantee)

Trustees' Report
for the Year Ended 31 August 2017 (continued)

OBJECTIVES AND ACTIVITIES (continued)

Investment Policy

Summary of Current Treasury Management Policy

Where surplus funds exist, the Board gives consideration to the best use of those funds including:

- available funds to support the day to day business activities
- long term investments to support long term plans and future growth
- infrastructure investment

Funds exceeding those required to operate the day to day business effectively are invested with the current banker (Lloyds) or another UK institution regulated by the appropriate bodies.

A register of deposits is maintained and reviewed by the Board on a regular basis.

Principal Risks and Uncertainties

Trustees regularly review the risk register and pay particular attention to the top line risks, which currently pertain to the Trust's growth and ensuring that financial sustainability is not compromised. The Trust also regularly reviews its academic provision alongside its budgets and forecasts to ensure that it can deliver a provision that is tailored to the needs of the students as well as being affordable.

There is a rolling programme for replenishment of existing assets when they reach the end of their useful lives. To achieve the ambitious objective of continuing to improve the fabric of ageing buildings and for other major capital projects, the Trust remains dependent on continued success in securing grants from the DfE (particularly CIF) and developing partnership working with community and other interest groups.

Plans for Future Periods

The Trust's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for all students. It will continue its efforts to ensure they gain an education which equips them to access further or higher education, or purposeful training and/or employment

Whilst there has been considerable interest from other schools in joining Arété Learning Trust, changes in government policy have delayed further growth, though the Trust is now in a strong position to embrace additional academies. Discussion with the Regional Schools Commissioner and the relevant local authority are in hand.

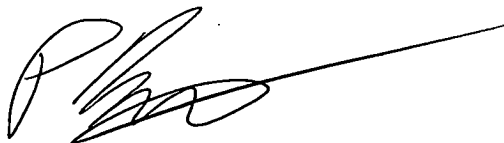
Auditor

Insofar as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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, Anderson Barrowcliff Limited Liability Partnership, are willing to continue in office and a resolution to appoint them will be proposed at the Members' meeting in December 2017.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16 November 17 and signed on the board's behalf by:



Paul Bartlett
Chairman of the Trustees

Areté Learning Trust
(A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Arété Learning Trust and the Secretary of State for Education. She is also responsible for reporting to the Board 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 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Bartlett (chairman)	4	4
S Brennan	4	4
C M Brooker (Principal and Accounting Officer)	4	4
M Foster	3	4
P Hutchinson	3	4
A Price	2	4

In addition to the full Board meetings, committees have also met regularly:

Trustee	Audit Meetings attended	Out of a possible	RPE Meetings attended	Out of a possible
P Bartlett (chairman)	4	4	1	4
S Brennan	4	4	4	4
C M Brooker (Principal and Accounting Officer)	4	4	4	4
M Foster	4	4	3	4
A Price			3	4

There have been no changes to the composition of the committees or to the Board. The main challenges which have faced us are system-related i.e. ensuring that the Trust finance system produces the reports and management accounts to enable Trustees to fulfil their responsibilities in terms of compliance.

Review of Value for Money

As Accounting Officer the CEO/Principal of Stokesley School has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. In her role as Accounting Officer she fully understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Areté Learning Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of Value for Money (continued)

- Service providers, licences and subscriptions have been reviewed and assessed as part of the Trust's routine financial procedures.
- Premises maintenance and energy costs are being driven down through energy efficient solutions and buildings improvements, the benefits of which will be evident over the coming years.
- The delivery of GCSEs has been adjusted to maximise cost-effectiveness, whilst accommodating the introduction of new assessment and curriculum frameworks.
- The school week and curriculum has been adjusted to maximise cost effectiveness.

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 of regular reviews, 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 Arété Learning Trust 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 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 on-going 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 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 by the Audit Committee and agreed by the Board of Trustees
- regular reviews by the Resources, Personnel and Estates 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 Board of Trustees has considered the need for a specific internal audit function and appointed Baldwins (formerly known as Evolution LLP) as internal auditor. The internal assurance annual programme comprised 3 visits and accompanying reports.

Baldwins' role is to provide the board with independent assurance that:

- the financial responsibilities of the Trust are being properly discharged
- resources are managed in an efficient, economical and effective manner
- sound systems of internal financial control are being maintained
- financial considerations are fully taken into account in reaching decisions

In addition they provide advice on financial matters and perform a range of checks on the Academy Trust's financial systems. These include:

- bank accounts and reconciliations
- payroll
- purchasing
- corporate governance
- fixed assets and asset register
- control accounts

Areté Learning Trust
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Governance Statement (continued)

The Risk and Control Framework (continued)

On a termly basis, the internal auditor reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The schedule of work has been delivered to the satisfaction of the Board. There have been no high level issues identified and the recommendations of both internal and external auditors have all been actioned.

Review of Effectiveness

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

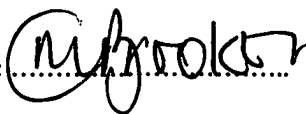
- the work of the internal and external auditors
- the advice and guidance of the Finance Director who chairs the Audit Committee
- the financial management and governance self-evaluation process
- the advice and guidance of the Chair of the Resources, Personnel and Estates Committee
- the work of the Finance Manager

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

Approved by order of the members of the Board of Trustees on 16 November '17 and signed on its behalf by:

Signed: 

Paul Bartlett
Chairman of Board of Trustees

Signed: 

Catherine Brooker
Accounting Officer

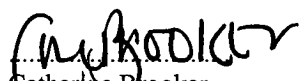
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Statement of Regularity, Propriety and Compliance

As accounting officer of Arété Learning Trust 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 Board of Trustees are able to identify any material irregular or improper use of all 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 the ESFA.


Catherine Brooker
Accounting Officer

16 November '17

Areté Learning Trust
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Statement of Trustees' Responsibilities

The Trustees (who act as governors of Arété Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015, and the Academies Accounts Direction 2016 to 2017
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 16 November '17 and signed on its behalf by:



.....
Paul Bartlett
Chairman of Board of Trustees

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust

Opinion

We have audited the financial statements of Arété Learning Trust (the 'Academy Trust') for the year ended 31 August 2017 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

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

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust
(continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement the Trustees set out on page 12 (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

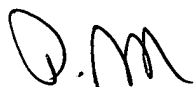
Areté Learning Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust
(continued)

Auditor's responsibilities for the audit of the financial statements

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

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



D J Robertson
Senior Statutory Auditor
For and on behalf of Anderson Barrowcliff LLP
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Dated: 21. November 2017

Areté Learning Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 10 April 2015 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 Arété Learning Trust during the year ended 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 Arété Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Arété Learning Trust and the 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 Arété Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Arété Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Arété Learning Trust funding agreement with the Secretary of State for Education dated 20 March 2015 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 year 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 the 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:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non compliance;
- Ensuring that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and key management personnel.

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to
Areté Learning Trust and the Education 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 year 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.



D J Robertson
Reporting Accountant
Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Dated: 21 November 2017

Areté Learning Trust
(A Company Limited by Guarantee)

Statement of Financial Activities
for the Year Ended 31 August 2017

(including Income and Expenditure Account)

		<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>		
		<u>Funds</u>	<u>General</u>	<u>Fixed</u>		(17
		<u>£'000</u>	<u>Funds</u>	<u>Asset</u>	<u>2017</u>	Months)
	Note		<u>£'000</u>	<u>Funds</u>	<u>Total</u>	<u>2016</u>
				<u>£'000</u>	<u>£'000</u>	<u>Total</u>
						<u>£,000</u>
INCOME & ENDOWMENTS FROM:						
Donations and capital grants	3	34	-	25	59	1,818
Transfer from local authority on conversion		-	-	-	-	12,406
Charitable Activities						
Funding for the Academy Trust's educational operations	4	173	5,727	-	5,900	8,312
Other trading activities	5	53	-	-	53	71
Investments	6	2	-	-	2	2
TOTAL		262	5,727	25	6,014	22,609
EXPENDITURE ON:						
Charitable Activities:						
Academy Trust educational operations	7	257	5,669	215	6,141	8,191
TOTAL		257	5,669	215	6,141	8,191
Net income/expenditure		5	58	(190)	(127)	14,418
Transfers between funds	17	-	(247)	247	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17,24	-	345	-	345	(664)
Net movement in funds		5	156	57	218	13,754
RECONCILIATION OF FUNDS						
Total funds brought forward		601	(2,026)	15,179	13,754	-
Total funds carried forward	17	606	(1,870)	15,236	13,972	13,754

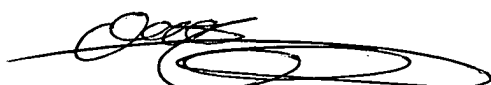
The notes on pages 21 to 37 form part of these financial statements.

Areté Learning Trust
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS:			
Tangible assets	12	15,236	14,088
Investments	13	100	-
CURRENT ASSETS:			
Debtors	14	123	613
Cash at bank and in hand		1,102	1,991
		<u>1,225</u>	<u>2,604</u>
LIABILITIES:			
Creditors: Amounts falling due within one year	15	(422)	(545)
NET CURRENT ASSETS		<u>803</u>	<u>2,059</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,139</u>	<u>16,147</u>
CREDITORS: Amounts falling due after more than one year		<u>(34)</u>	<u>(36)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>16,105</u>	<u>16,111</u>
Defined benefit pension scheme liability	24	(2,133)	(2,357)
TOTAL NET ASSETS		<u><u>13,972</u></u>	<u><u>13,754</u></u>
FUNDS OF THE ACADEMY TRUST:			
Restricted funds			
Fixed asset funds	17	15,236	15,179
Restricted income fund	17	263	331
Pension reserve	17	(2,133)	(2,357)
Total restricted funds		<u>13,366</u>	<u>13,153</u>
Unrestricted income fund	17	<u>606</u>	<u>601</u>
TOTAL FUNDS		<u><u>13,972</u></u>	<u><u>13,754</u></u>

The financial statements on pages 18 to 37 were approved by the Trustees, and authorised for issue on 16 November 17 and are signed on their behalf by:



Mark Foster
Trustee

The notes on pages 21 to 37 form part of these financial statements.

Areté Learning Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
for the Year Ended 31 August 2017

	Note	<u>2017</u> <u>£'000</u>	(17 months) <u>2016</u> <u>£'000</u>
Cash flows from operating activities			
Net cash provided by operating activities	21	547	976
Cash inflows from financing activities		-	38
Cash flows from investing activities	21	<u>(1,436)</u>	<u>977</u>
Change in cash and cash equivalents in the reporting period		(889)	1,991
Cash and cash equivalents at 1 September 2016		<u>1,991</u>	-
Cash and cash equivalents at 31 August 2017	22	<u><u>1,102</u></u>	<u><u>1,991</u></u>

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

1 STATEMENT OF ACCOUNTING POLICIES

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

General information and basis of preparation

Areté Learning Trust is a private company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details on page 1 of these financial statements. The nature of the Academy Trusts' operations and principal activities are set out in the Trustees' Report on page 2.

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Areté Learning Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Incoming Resources

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

Grants

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

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

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

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

1 STATEMENT OF ACCOUNTING POLICIES (continued)

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.

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 the time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities. All resources expended are exclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more for building works or £500 or more for other assets are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2% on cost
Computer hardware	33% on cost
Furniture and equipment	14% on cost

Assets in the course of construction are included at cost and depreciation on these assets is not charged until the assets 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.

Investments

Investments are included in the balance sheet at market value and unrealised gains and losses are reflected in the unrestricted fund.

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Leasehold fixed assets

Long leasehold land and buildings are leased from the local authority on a 125 year lease. The leasehold property has been included in the accounts at Depreciated Replacement Cost.

Debtors and creditors receivable /payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses recognised on impairment are recognised in expenditure.

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.

Concessionary Loans

Concessionary loans are initially recognised at the transaction price including transaction costs.

Termination Payments

Termination payments are recognised in the statement of financial activities when agreements are signed and offset against the fund to which they relate.

Provisions

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

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

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 as detailed in note 14. 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 as detailed in notes 15 and 16. 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Taxation

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

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is a multi-employer scheme and the Academy Trust has insufficient information available to use defined benefit accounting. TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Local Government Pension Scheme

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA and DfE.

Critical accounting estimates and areas of judgement

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

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement (continued)

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial value would impact on the carrying amount of the pension liability.

2 STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2016

	Unrestricted	Restricted	Restricted	
	Funds	General	Fixed	
	£'000	Funds	Asset	2016
	£'000	£'000	Funds	Total
	£'000	£'000	£'000	£'000
INCOMING RESOURCES				
Donations and capital grants	45	-	1,773	1,818
Transfer from local authority on conversion	419	(1,583)	13,570	12,406
Charitable Activities				
Funding for the Academy Trust's educational operations	227	8,085	-	8,312
Other trading activities	71	-	-	71
Investments	2	-	-	2
TOTAL	764	6,502	15,343	22,609
EXPENDITURE ON:				
Charitable Activities:				
Academy Trust educational operations	163	7,748	280	8,191
TOTAL	163	7,748	280	8,191
Net income/expenditure	601	(1,246)	15,063	14,418
Transfers between funds	-	(116)	116	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(664)	-	(664)
NET MOVEMENT IN FUNDS	601	(2,026)	15,179	13,754
Reconciliation of funds				
Total funds brought forward	-	-	-	-
TOTAL FUNDS CARRIED FORWARD	601	(2,026)	15,179	13,754

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

3 DONATIONS AND CAPITAL GRANTS

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Restricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2017</u> £'000	(17 months) <u>Total</u> <u>2016</u> £'000
Capital grants	-	25	25	1,773
Other donations	34	-	34	45
	<u>34</u>	<u>25</u>	<u>59</u>	<u>1,818</u>

£25,000 (2016 : £1,773,000) of government grants were received for devolved capital and CIF.

4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Restricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2017</u> £'000	(17 months) <u>Total</u> <u>2016</u> £'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,391	5,391	7,519
Start-up Grant	-	-	-	25
Other DfE/ESFA Grants	-	172	172	302
	<u>-</u>	<u>5,563</u>	<u>5,563</u>	<u>7,846</u>
Other government grants				
Local Authority grants	-	48	48	58
	<u>-</u>	<u>48</u>	<u>48</u>	<u>58</u>
Other income				
School trip income	-	101	101	177
Catering income	173	-	173	227
Other	-	15	15	4
	<u>173</u>	<u>116</u>	<u>289</u>	<u>408</u>
	<u>173</u>	<u>5,727</u>	<u>5,900</u>	<u>8,312</u>

5 OTHER TRADING ACTIVITIES

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Restricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2017</u> £'000	(17 months) <u>Total</u> <u>2016</u> £'000
Other income	53	-	53	71
	<u>53</u>	<u>-</u>	<u>53</u>	<u>71</u>

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2017

6 INVESTMENT INCOME

	<u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>Total</u> <u>2017</u> <u>£'000</u>	(17 months) <u>Total</u> <u>2016</u> <u>£'000</u>
Short term deposits	2	-	2	2

7 EXPENDITURE

	<u>Staff Costs</u> <u>£'000</u>	<u>Non Pay Expenditure</u> <u>Premises</u> <u>£'000</u>	<u>Other</u> <u>£'000</u>	<u>Total</u> <u>2017</u> <u>£'000</u>	(17 months) <u>Total</u> <u>2016</u> <u>£'000</u>
Academy's educational operations					
- Direct costs	4,112	-	286	4,398	6,182
- Allocated support costs	755	315	673	1,743	2,009
	<u>4,867</u>	<u>315</u>	<u>959</u>	<u>6,141</u>	<u>8,191</u>

	<u>Total</u> <u>2017</u> <u>£'000</u>	(17 months) <u>Total</u> <u>2016</u> <u>£'000</u>
Net income for the year includes:		
Operating leases rentals	8	14
Ex-gratia payments	26	18
Depreciation	215	280
Fees payable to auditor - audit	4	5
- other services	3	2

The legal authority sought to make ex-gratia payment was in compliance with the Academies Financial handbook 2016, being delegated authority or approval from Education Skills Funding Agency.

8 CHARITABLE ACTIVITIES

	<u>Total</u> <u>2017</u> <u>£'000</u>	(17 months) <u>Total</u> <u>2016</u> <u>£'000</u>
Direct costs – educational operations	4,398	6,182
Support costs – educational operations	1,743	2,009
	<u>6,141</u>	<u>8,191</u>
Analysis of support costs		
Support staff costs	755	725
Depreciation	215	280
Technology costs	69	68
Premises costs	315	422
Other support costs	296	430
Governance costs	93	84
Total support costs	<u>1,743</u>	<u>2,009</u>

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Notes to the Financial Statements
for the Year Ended 31 August 2017

9 STAFF

	<u>2017</u> £'000	(17 months) <u>2016</u> £'000
(a) Staff costs		
Staff costs during the year were:		
Wages and salaries	3,681	5,084
Social security costs	327	387
Operating costs of defined benefit pension scheme	719	943
	<u>4,727</u>	<u>6,414</u>
Supply staff costs	140	125
	<u>4,867</u>	<u>6,539</u>
(b) Non statutory/non-contractual staff severance payments		
Included in staff costs are non-statutory/non-contractual severance payments totalling £26,000 (2016: £18,000). This is one payment.		
(c) Staff numbers		
The average number of persons (including senior management team) employed by the academy during the year was as follows:-		
	<u>2017</u> No	<u>2016</u> No
Teachers	76	62
Administration & support	67	53
Management	9	7
	<u>152</u>	<u>122</u>
(d) Higher paid staff		
The number of employees where employee benefits (excluding employer pension costs) exceeded £60,000 (based on annual salary) was:-		
	<u>2017</u> No	<u>2016</u> No
£90,000 - £95,000	1	-
£115,000 - £120,000	-	1
	<u>-</u>	<u>1</u>
(e) Key management personnel		
The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £556,610 (2016 : £700,494 – 17 months).		

10 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal only receives remuneration in respect of services that she provides undertaking the role of Principal under her contract of employment. The value of the Trustees' remuneration and other benefits was as follows:-

C Brooker (Principal & Trustee)

Remuneration £90,000 - £95,000 (2016 : £160,000 - £165,000 17 months)

Employers' Pension Contributions paid £Nil (2016 : £25,000 - £30,000 17 months)

During the year ended 31 August 2017, travel and expenses payments totalling £Nil (2016 : £248) were reimbursed or paid directly to Trustees.

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Notes to the Financial Statements
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11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2017 was £941. The cost of this insurance is included in the total insurance cost.

12 TANGIBLE FIXED ASSETS

	<u>Long Leasehold Buildings</u> £'000	<u>Furniture & Equipment</u> £'000	<u>Assets in the Course of Construction</u> £'000	<u>Computer Hardware</u> £'000	<u>Total</u> £'000
COST:					
At 1 September 2016	13,539	95	648	86	14,368
Additions	1,272	6	-	85	1,363
Transfers	643	3	(648)	2	-
At 31 August 2017	15,454	104	-	173	15,731
DEPRECIATION:					
At 1 September 2016	226	27	-	27	280
Charge in year	162	19	-	34	215
At 31 August 2017	388	46	-	61	495
NET BOOK VALUE:					
At 31 August 2017	15,066	58	-	112	15,236
At 31 August 2016	13,313	68	648	59	14,088

13 FIXED ASSET INVESTMENTS

	<u>2017</u> £'000	<u>2016</u> £'000
<u>Listed investments</u>		
Investments – additions in year	100	-

14 DEBTORS

	<u>2017</u> £'000	<u>2016</u> £'000
Trade debtors	3	6
Prepayments	65	60
Accrued income	23	456
VAT recoverable	32	91
	123	613

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Notes to the Financial Statements
for the Year Ended 31 August 2017

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2017</u>	<u>2016</u>
	£'000	£'000
Trade creditors	115	65
Taxation and social security	89	87
Other creditors	71	77
Accruals	128	282
Concessionary loans	3	2
Deferred income	16	32
	<u>422</u>	<u>545</u>
Deferred income		
Deferred income at 1 September 2016	32	-
Released from previous year	(32)	-
Resources deferred in the year	16	32
	<u>16</u>	<u>32</u>
Deferred income at 31 August 2017	<u>16</u>	<u>32</u>

Deferred income is made up of devolved capital grant monies received in advance of the 2017/18 school year and school trip income not spent.

16 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2017</u>	<u>2016</u>
	£'000	£'000
Concessionary loans	34	36

Part of CIF funding included a loan of £38,483 which is interest free and repayable over 8 years. Of the above £15,000 is repayable in more than 5 years.

During the year the Trust spent £33,243 on energy efficient LED lighting. The Trust will get a £31,350 Salix loan against the costs post year end.

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Notes to the Financial Statements
for the Year Ended 31 August 2017

17

FUNDS

	<u>Balance at 1</u> <u>September</u> <u>2016</u> <u>£'000</u>	<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Resources</u> <u>Expended</u> <u>£'000</u>	<u>Gains/losses</u> <u>and</u> <u>transfers</u> <u>£'000</u>	<u>Balance at</u> <u>31 August</u> <u>2017</u> <u>£'000</u>
RESTRICTED GENERAL FUNDS					
General annual grant	277	5,391	(5,188)	(247)	233
Other ESFA/DfE Grants	54	38	(63)	-	29
Pupil premium	-	134	(134)	-	-
Local Authority	-	48	(48)	-	-
School Trip income	-	101	(100)	-	1
SSCO Partnership	-	15	(15)	-	-
	<u>331</u>	<u>5,727</u>	<u>(5,548)</u>	<u>(247)</u>	<u>263</u>
Pension reserve	(2,357)	-	(121)	345	(2,133)
	<u>(2,026)</u>	<u>5,727</u>	<u>(5,669)</u>	<u>98</u>	<u>(1,870)</u>
RESTRICTED FIXED ASSETS FUNDS					
Transfer on conversion	13,569	-	(188)	-	13,381
DfE/ESFA capital grants/GAG	1,610	25	(27)	247	1,855
	<u>15,179</u>	<u>25</u>	<u>(215)</u>	<u>247</u>	<u>15,236</u>
TOTAL RESTRICTED FUNDS	<u>13,153</u>	<u>5,752</u>	<u>(5,884)</u>	<u>345</u>	<u>13,366</u>
TOTAL UNRESTRICTED FUNDS	<u>601</u>	<u>262</u>	<u>(257)</u>	<u>-</u>	<u>606</u>
TOTAL FUNDS	<u>13,754</u>	<u>6,014</u>	<u>(6,141)</u>	<u>345</u>	<u>13,972</u>

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.

Restricted fixed assets were funded by government grants or transferred from the local authority.

Other DfE and government grants includes and Special Educational Needs, rates relief, year 7 catch up grant and sponsor capacity grant.

The pension reserve represents the deficit of the LGPS.

The Local Authority funds were for Special Educational Needs.

SSCO Partnership is designed to improve school sports.

School trip income is received from parents/carers to cover the cost of children's educational visits.

Fund Transfers

The funds transfer represent fixed assets purchased from the general restricted fund.

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Notes to the Financial Statements
for the Year Ended 31 August 2017

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:-

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	
	<u>Funds</u>	<u>General</u>	<u>Fixed</u>	<u>2017</u>
	<u>£'000</u>	<u>Funds</u>	<u>Asset</u>	<u>Total</u>
		<u>£'000</u>	<u>Funds</u>	<u>Funds</u>
			<u>£'000</u>	<u>£'000</u>
Tangible fixed assets	-	-	15,236	15,236
Investments	-	100	-	100
Current assets	606	619	-	1,225
Current liabilities	-	(422)	-	(422)
Non-current liabilities	-	(34)	-	(34)
Pension scheme liability	-	(2,133)	-	(2,133)
Total net assets	606	(1,870)	15,236	13,972

19 CAPITAL COMMITMENTS

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
Contracted for, but not provided in the financial statements	-	1,129

20 FINANCIAL COMMITMENTS

Operating leases

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

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
Amounts within one year	20	8
Amounts within two to five years	47	5
	67	13

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Notes to the Financial Statements
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21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	£'000	£'000
Net (expenditure)/income for the reporting year (as per the statement of financial activities)	(127)	14,418
Adjusted for:		
Depreciation (note 12) interest receivable	215	280
Capital Grants from DfE	(25)	(1,773)
Interest receivable (note 6)	(2)	(2)
Defined benefit pension scheme obligations inherited	-	1,583
Defined benefit pension scheme cost less contributions payable (note 24)	76	41
Defined benefit pension scheme finance costs (note 24)	45	69
Inherited on conversion	-	(13,570)
Decrease/(increase) in debtors	490	(613)
(Decrease)/(increase) in creditors	(125)	543
Net cash provided by operating activities	547	976

CASH FLOW FROM FINANCING ACTIVITIES

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	£'000	£'000
Cash inflows from new borrowing	-	38

CASH FLOW FROM INVESTING ACTIVITIES

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	£'000	£'000
Interest receivable	2	2
Purchase of tangible fixed assets	(1,363)	(798)
Capital grants from DfE and other capital income	25	1,773
Purchase of fixed asset investment	(100)	-
	(1,436)	977

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
	<u>Total</u>	<u>Total</u>
	£'000	£'000
Cash at bank and in hand	1,102	1,991

23 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 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.

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Notes to the Financial Statements
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24 PENSION COMMITMENTS

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 the North Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £69,311 (2016 : £73,614) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 H M 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 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The new employer contribution rate and administration levy for the TPS were implemented September 2015.

The pension costs paid to TPS in the period amounted to £418,000 (2016 : £596,000-17 months).

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.

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Notes to the Financial Statements
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24 PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £226,000 (2016 : £303,000), of which the employer's contributions totalled £182,000 (2016 : £241,000) and employees' contributions totalled £44,000 (2016 : £62,000). The agreed contribution rates for future years are 16.48 per cent for employers and range from 5.5 to 7.5 per cent for employees.

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

Principal Actuarial Assumptions

	<u>31 August</u> <u>2017</u>	<u>31 August</u> <u>2016</u>
	% per annum	% per annum
Rate of increase in salaries	3.25	3.40
Rate of increase in pensions in payment/inflation	2.00	1.90
Discount rate for scheme liabilities	2.50	2.00
Inflation assumption (CPI)	2.00	1.90

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

	<u>31 August</u> <u>2017</u>	<u>31 August</u> <u>2016</u>
Retiring today		
Males	22.8	23.3
Females	26.3	25.8
Retiring in 20 years		
Males	25.0	25.6
Females	28.6	28.1

Sensitivity analysis (movement in scheme obligations)

	<u>31 August</u> <u>2017</u> £'000	<u>31 August</u> <u>2016</u> £'000
Discount rate + 0.1%	(0.066)	(0.066)
Discount rate - 0.1%	0.066	0.067
Mortality assumption – 1 year increase	(0.082)	(0.086)
Mortality assumption – 1 year decrease	0.083	0.086
CPI rate + 0.1%	0.041	0.037
CPI rate - 0.1%	(0.041)	(0.037)

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Notes to the Financial Statements
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24 PENSION COMMITMENTS (continued)

The academy's share of the assets and liabilities in the scheme were:-

	<u>Fair Value</u> <u>at 31</u> <u>August</u> <u>2017</u> <u>£'000</u>	<u>Fair Value</u> <u>at 31</u> <u>August</u> <u>2016</u> <u>£'000</u>
Equity instruments	443	262
Debt instruments	106	83
Property	54	36
Cash and other	65	36
	<hr/>	<hr/>
Total market value of assets	668	417
	<hr/> <hr/>	<hr/> <hr/>

The actual return on the scheme assets in the year was £77,000 (2016 : £29,000).

Amounts recognised in the statement of financial activities:-

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Current service costs	(258)	(282)
Interest income	10	11
Interest cost	(55)	(80)
	<hr/>	<hr/>
Total amount recognised in SOFA	(303)	(351)
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of defined benefit obligations were as follows:-

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
At 1 September	2,774	-
Upon conversion	-	1,678
Current service cost	258	282
Interest cost	55	80
Actuarial (losses)/gains	(278)	682
Benefits paid	(52)	(10)
Employee contributions	44	62
	<hr/>	<hr/>
At 31 August	2,801	2,774
	<hr/> <hr/>	<hr/> <hr/>

Movement in the fair value of Academy Trust's share of scheme assets:-

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
At 1 September	417	-
Upon conversion	-	95
Interest income	101	11
Actuarial gains/(losses)	67	18
Employer contributions	182	241
Employee contributions	44	62
Benefits paid	(52)	(10)
	<hr/>	<hr/>
At 31 August 2017	668	417
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
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24 PENSION COMMITMENTS (continued)

Movement in the fair value of Academy Trust's share of scheme assets (continued)

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 102, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the Trustees to further the charity's objectives.

25 RELATED PARTY TRANSACTIONS

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