

Company Registration No. 08123168 (England and Wales)

**ALBANY LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# ALBANY LEARNING TRUST

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# ALBANY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

A Wiles  
A Gibbs  
S Partington

### Trustees

H J Brown (Chair)  
H Cable (Staff trustee)  
K Crane  
A Gibbs  
P Mayland (Head Teacher and Accounting Officer)  
J Parkin  
S Partington  
A Purcell  
A Rothwell  
A Yates  
A Brindle (Staff trustee)  
E Cooper (Resigned 20 October 2019)  
R Gavan

### Senior management team

Mr P Mayland (Head Teacher)  
Mr I Woods (Deputy Head Teacher)  
Mr P Crowther (Assistant Head Teacher)  
Mr J McNaboe (Assistant Head Teacher)  
Mrs E Molyneux (Assistant Head Teacher)  
Mrs P Cunliffe (Head of Maths)  
Miss K Billington (Head of English)

### Company secretary

C Shaw

### Company registration number

08123168 (England and Wales)

### Company name

Albany Learning Trust

### Registered office

Bolton Road  
Chorley  
PR7 3AY

### Independent auditor

CWR Chartered Accountants  
20 Mannin Way  
Lancaster Business Park  
Caton Road  
Lancaster  
LA1 3SW

# ALBANY LEARNING TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trust operates an academy for pupils aged 11-16, serving a catchment area in Chorley.

#### Structure, governance and management

##### Constitution

Albany Science College converted to Albany Academy ("The Academy") on 1 August 2012. The Academy 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.

The Academy was incorporated on 28 June 2012 and commenced its activities on transfer from the Local Authority on the conversion date stated above. On 28 March 2015 Albany Academy converted to a multi-academy trust; Albany Learning Trust.

The trustees are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Albany Learning Trust.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Academy has purchased indemnity insurance to protect trustees and officers from claims arising in connection with Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

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

The trustees are appointed by the following:

Staff trustees	Elected by staff of the Academy
Other trustees	Appointed by the Members or Trust Board

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

All trustees are provided with copies of the relevant academy policies, the funding agreement and code of conduct for trustees on appointment. Induction training is provided by the Chair and Head Teacher and ongoing training is provided through a variety of activities and pathways coordinated by the clerk and Head Teacher.

##### Organisational structure

The Academy is governed by its Trust Board, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of three levels: the Trust Board, the Head Teacher and the Senior Leadership Team.

The Trust Board is responsible for setting general policies, adopting an academy improvement plan and budget, monitoring the Academy's performance, making major policy decisions, appointing senior staff and permanent staff appointments. Certain elements of these responsibilities are delegated to the following committees who make recommendations to the Trust Board:

- Teaching, Learning and Pupil Progress
- Finance, Audit, Buildings & Staffing
- Strategic Committee

# ALBANY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

The Head Teacher is also the Accounting Officer and has responsibility for the day-to-day leadership and management of the academy. The Head Teacher is supported by the Senior Leadership Team.

The Senior Leadership Team comprised:

Mr P Mayland	(Head Teacher)
Mr I Woods	(Deputy Head Teacher)
Mr P Crowther	(Assistant Head Teacher)
Mr J McNaboe	(Assistant Head Teacher)
Mrs E Molyneux	(Assistant Head Teacher)
Mrs P Cunliffe	(Head of Maths)
Miss K Billington	(Head of English)

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

Trustees are unpaid volunteers. They are eligible for travel costs when they undertake duties on behalf of the Academy. Travel costs are benchmarked against Lancashire LA costs. Senior staff are paid in accordance with the academy pay policy, which takes into account STPCD and the size of the Academy when setting the pay of the Head Teacher and other senior staff.

#### Trade union facility time

##### Relevant union officials

Number of employees who were relevant union: 0

Full-time equivalent employee number officials during the relevant period: 0

##### Percentage of time spent on facility time

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

Table 1 - % Time Facility Time

##### Percentage of pay bill on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Table 2 - % pay Facility Time

##### Paid trade union facilities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Table 3 - Paid Union Activities

##### Related parties and other connected charities and organisations

The trustees and their close family members are considered to be connected organisations. Any related party transactions have been disclosed in the accounts.

# ALBANY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives and activities

##### Objects and aims

The main objects of the Academy as set out in its governing document are:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum; and
- To promote for the benefit of individuals living in Chorley, Adlington, Lancashire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The Academy aims to provide an outstanding education to all of our pupils in a caring and supportive environment.

##### Objectives, strategies and activities

The main objectives for the year were:

To continue to develop our new curriculum planning; to continue to narrow the gap in pupil premium achievement.

Despite the impact of covid 19, the curriculum review was completed and 'road maps' and 'big picture' statements were developed. The pupil premium achievement gaps were not affected by covid 19 and centre assessed grades.

##### Public benefit

The trustees are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the year. Trustees are committed to developing the multi-academy trust (MAT) to develop a supportive partnership with other schools and to improve the efficiency of services offered by the Academy.

Albany Academy serves the area around Chorley and also takes students from north Bolton. It has a higher than national percentage of disadvantaged students.

Short term objectives remain improving our systems and practices and preparing for the new curriculum changes. Longer term aims relate to strengthening our partnerships with other providers and developing the MAT.

#### Strategic report

##### Achievements and performance

Achievement at Albany Academy is very good. Pupil progress in 2015, 2016, 2018, and 2019 places the academy in the top 10 Lancashire schools for pupil progress. In 2020 there are no performance tables as a result of covid 19, however, in school analysis shows a P8 score well above average. FFT analysis for 2020 shows average progress. The pupil premium gap has been reduced in the past three years and English, a key subject for improvement identified the latest Ofsted inspection report (2014), achieved outstanding results in 2016, 2017, 2018 and again in 2019. Science, also recognised as underperforming historically achieved outcomes in 2018 above national averages and improved these in 2019. The only historically underperforming subject has outcomes above national averages in 2019 and again in 2020. The Education Endowment Foundation recognise that all students make good progress.

The exceptional progress made by pupils during their time with us is because of the quality of teaching and learning they receive.

The Academy is increasingly popular and has been heavily oversubscribed in each of the past four years, with over 600 applicants for 135 places. In 2017, 2018, 2019 and 2020 the Academy exceeded PAN and admitted 150 students.

# ALBANY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

Being a relatively small Academy there is considerable variation between year groups in terms of the composition and ability. Detailed progress analysis shows no pattern of over or underachievement and only confirms that each group is unique.

We focus on continual improvement and key objectives for next year are that all subjects perform as well as the best and that we improve our monitoring of post-16 provision for our students after they have left.

As a result of covid 19, GCSE grades were based on centre assessed grades. Therefore, results do not appear in performance tables.

#### Key performance indicators

GCSEs	9	8	7	6	5	4	3	2	1	U	Total	% 7+	% 5+	% 4+	% 1+
Art & Design	2	3	4	3	2						14	64%	100%	100%	100%
Biology	4	4		1							9	89%	100%	100%	100%
Chemistry	4	3	2								9	100%	100%	100%	100%
Computer Science	1	2	4	2	2	1	2				14	50%	79%	86%	100%
Design & Technology				3	5	4	6	1			19	0%	42%	63%	100%
Drama	2	2	3	5	6	4	3				25	28%	72%	88%	100%
English Language	7	5	17	27	27	23	17	5	2		130	22%	64%	82%	100%
English Literature	5	7	16	25	27	24	13	9	4		130	22%	62%	80%	100%
Food & Nutrition	1	1	4	6	6	8	8	1			35	17%	51%	74%	100%
French			1	2	3	4	2	1			13	8%	46%	77%	100%
Geography	3	7	7	13	9	11	8	8	3		69	25%	57%	72%	100%
History	3	6	7	11	4	7	6	4	3		51	31%	61%	75%	100%
Maths	4	5	15	14	35	26	15	9	7		130	18%	56%	76%	100%
Photography	3	5	9	2	6	3	1				29	59%	86%	97%	100%
Physics	2	3	3	1							9	89%	100%	100%	100%
Polish			1								1	100%	100%	100%	100%
Religious Studies	3	4	2	3	3	3	3	1			22	41%	68%	82%	100%
Science	3	12	10	26	21	27	17	5			121	7%	56%	71%	100%
Spanish	2	3	7	6	4	8	8	2	1		41	29%	54%	73%	100%
BTECs		D*	D	M	P	D1	M1	P1		U	Total	%D+	%M	%P	
Child Development		1	2	1	5	1	2	3		3	18				
Construction				3							3				
Sports		24	7	2	6					0	39				

Table 4 - GCSE Results 2020

**ALBANY LEARNING TRUST**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Headline Figures	
Progress 8	0.6
Attainment 8	51.5
English and maths grade 4 +	64%
English and maths grade 5 +	50%
% Entering Ebacc	21%
% Achieving Ebacc 5+	11%

*Table 5 - Headline Results 2020*

In addition to the detailed performance data outlined above the most recent section 5 Ofsted inspection graded Albany as being 'Good with outstanding features'. In September, 2017 the section 8 inspection stated that the 'school continues to be good'.

During the coronavirus outbreak the school remained open to a small number of vulnerable and critical worker children. This increased from about 6 regularly in March to 30 in July. From 1 June, Year 10 students attended on a rota, with all students attending at least once, and most attending several days.

All students were taught online using Google classroom. Parents were updated weekly on work set and were connected to the Google classroom. Teachers responded to emails and messages within 24 hours. A student survey during lockdown indicated relatively high satisfaction of challenge and support.

A parent survey, also provided evidence of good parent satisfaction, and led to the trialing of video 'live' lessons in English.

At risk students, included nationally recognised disadvantage groups already have a link member of staff. They and their families were contacted weekly to ensure engagement.

Free school meals were provided by LCC during the first few weeks and subsequently the school was able to engage with the national FSM voucher scheme and families received the e vouchers.

**Going concern**

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Academy 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**

The Academy's total incoming resources during the year were £4,385,000 (2019: £3,994,000). The majority of the Academy's income derives from central government funding via the Education & Skills Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the year was £4,164,000 (2019: £3,901,000); further details are provided in note 4 to the accounts.

Total outgoing resources for the year were £4,294,000 (2019: £4,144,000). The excess of income over expenditure was £91,000 (2019: excess of expenditure over income - £150,000). Total outgoing resources included Local Government Pension revaluation costs of £250,000 (2019: £174,000). Net income before revaluation costs was £341,000 (2019: 24,000).

At the year end the Academy's total reserves were £2,065,000 (2019: £2,285,000), including unrestricted funds of £403,000 (2019: £359,000) and restricted funds of £1,662,000 (2019: £1,926,000). Restricted funds include fixed assets of £3,636,000 (2019: £3,416,000), less the LGPS pensions scheme deficit of £1,974,000 (2019: £1,513,000). At 31 August 2019 there was also a surplus on general restricted funds of £23,000 which was fully utilised in the year ended 31 August 2020.



# ALBANY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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At 31 August 2020 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

On conversion the Academy inherited a deficit of £657,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit has increased to £1,974,000 by 31 August 2020, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Academy does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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.

The Academy's financial objectives are:

Applying at all times, best value principles in all purchases  
Monitoring and evaluating the value for money of all staff  
preventing all areas of wastage

These objectives were achieved in the financial year ended 31 August 2020.

#### Reserves policy

Restricted GAG reserves:

The trustees have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. At 31 August 2020 the Academy held GAG reserves of £nil (2019: £nil).

Unrestricted reserves:

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the Academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. At 31 August 2020 the level of unrestricted reserves held was £403,000 (2019: £359,000).

It is the Trustees' policy to aim to hold approximately one months' educational expenditure in general reserves, to provide an additional cushion to cover delays between spending and the receipt of income. At the year end the Academy held general reserves, including both GAG and unrestricted reserves, of £403,000.

#### Investment policy and powers

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The Academy does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings.

Surplus cash is held in an instant access deposit account to ensure that there is always access to sufficient cash to meet short and medium term requirements, whilst earning a competitive rate of interest on any surplus balances.

#### Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, health and safety, school trips, child protection and finances, and sufficient systems and procedures have been established to manage those risks. These risks are reviewed on an annual basis by the Head Teacher and the Governing Body. A number of new operational systems have been implemented during the period in order to minimise specific risks. These include improved Quality Assurance procedures for the monitoring of learning and teaching, increased frequency of finance meetings to ensure resources are deployed to best effect and the revision of fire evacuation procedures. Trustees have undertaken a risk review and completed a risk register.

The principal risk is deemed to be the reliance on government funding via the ESFA. This funding is currently undergoing significant changes and this has introduced a degree of uncertainty into the education system. The risk here is mitigated in the following ways:

- Ensuring the Academy is relentless in providing an outstanding education for all learners
- Increasing pupil numbers
- Successful application for Capital Maintenance Grants
- Seeking out external sources of income such as lettings and grants

# **ALBANY LEARNING TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Fundraising**

The Academy did not undertake any fundraising activities during the year.

### **Plans for future periods**

The Academy plans to fully act upon the areas for development as detailed in the Academy Improvement Plan. Key areas remain responding to national curriculum changes, improving achievement of our pupil premium and high prior attaining pupils and refining our post -16 preparation.

### **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.

A resolution proposing that CWR Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 8<sup>th</sup> December 2020 and signed on its behalf by:

**H J Brown**  
**Chair of Trustees**

# ALBANY LEARNING TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Albany 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Albany Academy 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 governance of Albany Academy consists of the Members (2 are also Trustees), the Board of Trustees (and 3 committees). The performance of the committees and the Trust Board as a whole is reviewed on an annual basis and the chairs of the committees meet regularly with the Head Teacher to evaluate this performance. Since conversion there have been a number of challenges to the Board of Trustees, including a number of new members, changes to funding, curriculum and examination changes and the requirements associated with academy status. These have been addressed through training sessions and the use of specialist organisations and in-house staff to provide the knowledge and skills needed by the Board of Trustees.

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 period. In addition, Trustees undertake a significant amount of academy business via email, link trustee arrangements and other informal visits to the academy. Trustees are involved in staff appointments. The Head Teacher and Chair of the Board discuss Academy issues weekly.

Attendance during the period at meetings of the governing body was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
H J Brown (Chair of Governing Body)	5	5
A Brindle	5	5
H Cable	4	5
E Cooper (Resigned 20/10/2020)	0	1
K Crane	5	5
R Gavan	4	5
A Gibbs	5	5
P Mayland (Head Teacher and Accounting Officer)	5	5
J S Parkin	3	5
S Partington	4	5
A Purcell	0	5
J Rothwell	4	5
A Yates	5	5

There have been no key changes in the composition of the Board and no particular challenges have arisen for the Board during the year. The Trust Board has undertaken a skills analysis and following the end of term of Trustees will recruit to complement the skills gaps left by leaving Trustees.

# ALBANY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

The Finance, Audit, Buildings & Staffing Committee is a committee of the Trust Board. Its purpose is to provide strategic financial oversight of the Academy and report back to the Trust Board.

Attendance at meetings in the year was as follows:

		Meetings attended	Out of possible
H J Brown	(Chair of Governing Body)	2	2
K Crane		2	2
R Gavan		2	2
A Gibbs		2	2
P Mayland	(Head Teacher and Accounting Officer)	2	2
J Parkin		2	2
A Yates		1	2

#### Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body 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 by:

1. Ensuring that achievement of pupils has improved across the majority of key areas from the previous year, with 61% of all students achieving a pass in English and maths and English results improved as did the results in 10 subjects, with results in further four subjects remaining at 100%. Overall attainment was in line with that of 2016, despite changes to the English and maths GCSEs. Attendance has improved following significant improvements to the whole academy strategies. The pupil premium gap overall has halved and in several subjects and for higher attainers has closed.
2. Overseeing successful capital bids to enable improvement of the teaching and learning environment, specifically this year work has commenced on replacing the fire doors and upgrading the fire alarm systems which will be mostly funded by a successful application to the Condition Improvement Fund.
3. Continuing to narrow the pupil premium gap, especially of higher attainers and in maths where gaps have narrowed since 2016. The Education Endowment Foundation, which reviews progress of pupil premium students, also recognises there was strong performance for all pupils during this period.

#### 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 Albany Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The Trust Board 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 Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

# ALBANY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

The Trust Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Haines Watts to perform additional checks. The reviewer's role includes performing a range of checks on the academy trust's financial systems. On a termly basis the reviewer reported to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reviewer found that systems were in place and that there were no material control issues arising.

Following the appointment of the new Finance Manager, systems have been brought up to date and all reconciliations were fully completed at the year end. Month end procedures have been put into place and their operation was reviewed by the external auditor. There was no evidence of any material misstatement arising due to fraud or error during the period.

### **Review of effectiveness**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the reviewer
- the work of the external auditor; and
- 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8<sup>th</sup> December 2020 and signed on its behalf by:

**H J Brown**  
Chair of Trustees

**P J Mayland**  
Head Teacher and Accounting Officer

# **ALBANY LEARNING TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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As accounting officer of Albany Learning Trust, I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

**P J Mayland**  
**Accounting Officer**

Dated 8<sup>th</sup> December 2020

# **ALBANY LEARNING TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees (who are also the directors of Albany Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 8<sup>th</sup> December 2020 and signed on its behalf by:

**H J Brown**  
**Chair of Trustees**

# ALBANY LEARNING TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Opinion

We have audited the financial statements of Albany Learning Trust (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. 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.



# ALBANY LEARNING TRUST

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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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 set out on page 14, the trustees (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.

# ALBANY LEARNING TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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.

Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)  
For and on behalf of CWR Chartered Accountants  
20 Mannin Way  
Lancaster Business Park  
Caton Road  
Lancaster  
LA1 3SW

Date: 6<sup>th</sup> January 2021

# ALBANY LEARNING TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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In accordance with the terms of our engagement letter dated 31 August 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Albany Learning Trust during the year from the 1 September 2019 to 31 August 2020 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 Albany Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Albany Learning Trust 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 Albany Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Albany Learning Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Albany Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 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 our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of Annex B of the Academies Accounts Direction 2019 to 2020 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express and opinion on regularity.

# **ALBANY LEARNING TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)  
For and on behalf of CWR Chartered Accountants  
20 Mannin Way  
Lancaster Business Park  
Caton Road  
Lancaster  
LA1 3SW

Date: 6<sup>th</sup> January 2021

# ALBANY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	205	205	70
Charitable activities:						
- Funding for educational operations	4	87	4,077	-	4,164	3,901
Other trading activities	5	16	-	-	16	23
<b>Total</b>		<u>103</u>	<u>4,077</u>	<u>205</u>	<u>4,385</u>	<u>3,994</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	4,194	100	4,294	4,144
<b>Total</b>	6	<u>-</u>	<u>4,194</u>	<u>100</u>	<u>4,294</u>	<u>4,144</u>
<b>Net income/(expenditure)</b>		103	(117)	105	91	(150)
Transfers between funds	15	(59)	(56)	115	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	17	-	(311)	-	(311)	(462)
<b>Net movement in funds</b>		44	(484)	220	(220)	(612)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>359</u>	<u>(1,490)</u>	<u>3,416</u>	<u>2,285</u>	<u>2,897</u>
Total funds carried forward		<u>403</u>	<u>(1,974)</u>	<u>3,636</u>	<u>2,065</u>	<u>2,285</u>

# ALBANY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2019
		£000	£000	£000	£000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	70	70
Charitable activities:					
- Funding for educational operations	4	138	3,763	-	3,901
Other trading activities	5	23	-	-	23
<b>Total</b>		<u>161</u>	<u>3,763</u>	<u>70</u>	<u>3,994</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	-	4,041	103	4,144
<b>Total</b>	6	<u>-</u>	<u>4,041</u>	<u>103</u>	<u>4,144</u>
<b>Net income/(expenditure)</b>		161	(278)	(33)	(150)
Transfers between funds	15	(85)	109	(24)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	17	-	(462)	-	(462)
<b>Net movement in funds</b>		76	(631)	(57)	(612)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>283</u>	<u>(859)</u>	<u>3,473</u>	<u>2,897</u>
Total funds carried forward		<u>359</u>	<u>(1,490)</u>	<u>3,416</u>	<u>2,285</u>

# ALBANY LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		3,447		3,416
<b>Current assets</b>					
Debtors	12	285		119	
Cash at bank and in hand		665		564	
		<u>950</u>		<u>683</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(358)		(301)	
<b>Net current assets</b>			<u>592</u>		<u>382</u>
<b>Net assets excluding pension liability</b>			4,039		3,798
Defined benefit pension liability	17		(1,974)		(1,513)
<b>Net assets</b>			<u>2,065</u>		<u>2,285</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			3,636		3,416
- Restricted income funds			-		23
- Pension reserve			(1,974)		(1,513)
<b>Total restricted funds</b>			<u>1,662</u>		<u>1,926</u>
<b>Unrestricted income funds</b>	15		<u>403</u>		<u>359</u>
<b>Total funds</b>			<u>2,065</u>		<u>2,285</u>

The accounts were approved by the trustees and authorised for issue on 8<sup>th</sup> December 2020 and are signed on their behalf by:

H J Brown  
Chair of Trustees

Company Number 08123168

# ALBANY LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

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	Notes	2020 £000	£000	2019 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		216		75
<b>Cash flows from investing activities</b>					
Capital grants from DfE and ESFA		16		70	
Payments to acquire tangible fixed assets		(131)		(46)	
			(115)		24
<b>Change in cash and cash equivalents in the reporting period</b>			101		99
Cash and cash equivalents at 1 September 2019			564		465
<b>Cash and cash equivalents at 31 August 2020</b>			665		564



# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

All incoming resources are recognised when the academy 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.

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.

###### Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### 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.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy 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 accounts 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's accounting policies.

#### 1.4 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 to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### 1.5 Tangible fixed assets and depreciation

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

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

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

Land	125 years
Buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5-10 years

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.

##### 1.6 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

##### 1.7 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.

##### 1.8 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

##### 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.

#### 1.9 Taxation

The academy 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 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.

#### 1.10 Pensions benefits

Retirement benefits to employees of the academy 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.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 net income or expenditure 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.

#### 1.11 Fund accounting

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

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

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

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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 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 17, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Capital grants	-	205	205	70

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	3,520	3,520	3,310
Other DfE group grants	-	401	401	253
	<u>-</u>	<u>3,921</u>	<u>3,921</u>	<u>3,563</u>
<b>Other government grants</b>				
Local authority grants	-	102	102	99
	<u>-</u>	<u>102</u>	<u>102</u>	<u>99</u>
<b>Other funding</b>				
Other incoming resources	87	54	141	239
	<u>87</u>	<u>54</u>	<u>141</u>	<u>239</u>
<b>Total funding</b>	<u>87</u>	<u>4,077</u>	<u>4,164</u>	<u>3,901</u>

The academy trust received £102,000 (2019: £99,000) from the local authority in the year being £94,000 SEN funding, £1,000 pupil premium funding and £7,000 other funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

#### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	16	-	16	21
Other income	-	-	-	2
	<u>16</u>	<u>-</u>	<u>16</u>	<u>23</u>

#### 6 Expenditure

	Staff costs £000	Non-pay expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Academy's educational operations					
- Direct costs	2,686	-	314	3,000	2,829
- Allocated support costs	748	355	191	1,294	1,315
	<u>3,434</u>	<u>355</u>	<u>505</u>	<u>4,294</u>	<u>4,144</u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 6 Expenditure

Net income/(expenditure) for the year includes:	2020	2019
	£000	£000
Fees payable to auditor for:		
- Audit	6	5
- Other services	2	2
Operating lease rentals	30	51
Depreciation of tangible fixed assets	100	103
Net interest on defined benefit pension liability	32	25
	<u>          </u>	<u>          </u>

#### 7 Charitable activities

All from restricted funds:	2020	2019
	£000	£000
<b>Direct costs</b>		
Educational operations	3,000	2,829
<b>Support costs</b>		
Educational operations	1,294	1,315
	<u>          </u>	<u>          </u>
	4,294	4,144
	<u>          </u>	<u>          </u>

#### Analysis of costs

	2020	2019
	£000	£000
<b>Direct costs</b>		
Teaching and educational support staff costs	2,686	2,478
Staff development	29	10
Technology costs	48	41
Educational supplies and services	197	258
Examination fees	40	42
	<u>          </u>	<u>          </u>
	3,000	2,829
	<u>          </u>	<u>          </u>
<b>Support costs</b>		
Support staff costs	748	708
Depreciation	100	103
Technology costs	5	3
Maintenance of premises and equipment	73	129
Cleaning	6	4
Energy costs	88	89
Rent, rates and other occupancy costs	68	66
Insurance	14	13
Security and transport	11	9
Catering	78	105
Finance costs	32	25
Legal costs	13	10
Other support costs	43	38
Governance costs	15	13
	<u>          </u>	<u>          </u>
	1,294	1,315
	<u>          </u>	<u>          </u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Staff

#### Staff costs

Staff costs during the year were:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	2,432	2,339
Social security costs	238	227
Pension costs	675	548
Staff costs - employees	3,345	3,114
Agency staff costs	73	62
Staff restructuring costs	10	10
	<u>3,428</u>	<u>3,186</u>
Staff development and other staff costs	35	10
	<u>3,463</u>	<u>3,196</u>
Total staff expenditure	<u>3,463</u>	<u>3,196</u>
Staff restructuring costs comprise:		
Severance payments	<u>10</u>	<u>10</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,616 (2019: £10,089). Individually, there was one payment of £9,616.

#### Staff numbers

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Teachers	37	38
Administration and support	44	41
Management	7	7
	<u>88</u>	<u>86</u>



# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 8 Staff

##### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>2</u>

##### Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £543,000 (2019: £482,000).

#### 9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

P Mayland (headteacher and trustee)	£90,001 - £95,000	(2019: £85,001 - £90,000)
H Cable (staff trustee)	£15,001 - £20,000	(2019: £25,001 - £30,000)
A Brindle (staff trustee)	£50,001 - £55,000	(2019: £40,001 - £45,000)

The value of trustees' pension contributions was as follows:

P Mayland (headteacher and trustee)	£20,001 - £25,000	(2019: £10,001 - £15,000)
H Cable (staff trustee)	£1 - £5,000	(2019: £1 - £5,000)
A Brindle (staff trustee)	£10,001 - £15,000	(2019: £5,001 - £10,000)

During the year ended 31 August 2020 no expenses incurred on behalf of the Academy were reimbursed to trustees (2019: £nil).

#### 10 Insurance for trustees and officers

The academy has opted into the Department for 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.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 11 Tangible fixed assets

	Land	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2019	3,792	109	188	4,089
Additions	-	68	63	131
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	3,792	177	251	4,220
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 September 2019	456	104	113	673
Charge for the year	67	4	29	100
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	523	108	142	773
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 August 2020	3,269	69	109	3,447
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2019	3,336	5	75	3,416
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 12 Debtors

	2020 £000	2019 £000
VAT recoverable	16	13
Other debtors	-	4
Prepayments and accrued income	269	102
	<u>          </u>	<u>          </u>
	285	119
	<u>          </u>	<u>          </u>

### 13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	131	89
Other taxation and social security	61	53
Other creditors	68	70
Accruals and deferred income	98	89
	<u>          </u>	<u>          </u>
	358	301
	<u>          </u>	<u>          </u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 14 Deferred income

	2020 £000	2019 £000
Deferred income is included within:		
Creditors due within one year	27	29
	<u>27</u>	<u>29</u>
Deferred income at 1 September 2019	29	-
Released from previous years	(29)	-
Resources deferred in the year	27	29
	<u>27</u>	<u>29</u>
<b>Deferred income at 31 August 2020</b>	<u>27</u>	<u>29</u>

Deferred income at 31 August 2020 relates to monies taken in advance for activities to take place in 2020/2021.

#### 15 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,520	(3,482)	(38)	-
Other DfE / ESFA grants	40	401	(401)	(40)	-
Other government grants	5	102	(107)	-	-
Other restricted funds	(22)	54	(54)	22	-
Pension reserve	(1,513)	-	(150)	(311)	(1,974)
	<u>(1,490)</u>	<u>4,077</u>	<u>(4,194)</u>	<u>(367)</u>	<u>(1,974)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	3,250	-	(68)	-	3,182
DfE group capital grants	54	205	(11)	-	248
Capital expenditure from GAG	112	-	(21)	115	206
	<u>3,416</u>	<u>205</u>	<u>(100)</u>	<u>115</u>	<u>3,636</u>
<b>Total restricted funds</b>	<u>1,926</u>	<u>4,282</u>	<u>(4,294)</u>	<u>(252)</u>	<u>1,662</u>
<b>Unrestricted funds</b>					
General funds	359	103	-	(59)	403
	<u>359</u>	<u>103</u>	<u>-</u>	<u>(59)</u>	<u>403</u>
<b>Total funds</b>	<u>2,285</u>	<u>4,385</u>	<u>(4,294)</u>	<u>(311)</u>	<u>2,065</u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 15 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

The balance brought forward on other DfE/ESFA grants no longer needs to be kept separately and has been transferred into the GAG funds.

The deficit balance of £22,000 on other restricted general funds at the start of the year related to a loan inherited on conversion and which was fully repaid in 2019/20 using the unrestricted funds.

The transfer of £115,000 into restricted fixed asset funds is to reflect the use of GAG funds to make fixed asset additions this year. Income from capital grants includes £189,000 of funding from the Condition Improvement Fund for a project to install a new alarm system and fire doors. Only £15,000 of the costs of this project had been included in this year's additions to fixed assets and the balance of £174,000 has been carried forward within the fixed asset fund.

A transfer of £37,000 was made from unrestricted general funds to restricted general funds to cover the over-spend in the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 15 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,310	(3,419)	109	-
Other DfE / ESFA grants	40	253	(253)	-	40
Other government grants	-	99	(94)	-	5
Other restricted funds	(22)	101	(101)	-	(22)
Pension reserve	(877)	-	(174)	(462)	(1,513)
	<u>(859)</u>	<u>3,763</u>	<u>(4,041)</u>	<u>(353)</u>	<u>(1,490)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	3,317	-	(67)	-	3,250
DfE group capital grants	18	70	(10)	(24)	54
Capital expenditure from GAG	138	-	(26)	-	112
	<u>3,473</u>	<u>70</u>	<u>(103)</u>	<u>(24)</u>	<u>3,416</u>
<b>Total restricted funds</b>	<u>2,614</u>	<u>3,833</u>	<u>(4,144)</u>	<u>(377)</u>	<u>1,926</u>
<b>Unrestricted funds</b>					
General funds	<u>283</u>	<u>161</u>	<u>-</u>	<u>(85)</u>	<u>359</u>
<b>Total funds</b>	<u>2,897</u>	<u>3,994</u>	<u>(4,144)</u>	<u>(462)</u>	<u>2,285</u>

#### 16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	3,447	3,447
Current assets	403	358	189	950
Creditors falling due within one year	-	(358)	-	(358)
Defined benefit pension liability	-	(1,974)	-	(1,974)
<b>Total net assets</b>	<u>403</u>	<u>(1,974)</u>	<u>3,636</u>	<u>2,065</u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General      Fixed asset £000      £000		Total Funds £000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	3,416	3,416
Current assets	638	45	-	683
Creditors falling due within one year	(279)	(22)	-	(301)
Defined benefit pension liability	-	(1,513)	-	(1,513)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total net assets</b>	<b>359</b>	<b>(1,490)</b>	<b>3,416</b>	<b>2,285</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 17 Pension and similar obligations

The academy'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 Lancashire County Council. 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 2016, and that of the LGPS related to the period ended 31 March 2016.

Pension contributions amounting to £65,000 (2019: £48,000) were outstanding at the end of the financial year and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 17 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £409,000 (2019: £270,000).

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 an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 19.7% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £163,000.

The academy entered into an agreement to make contributions towards the scheme deficit of £36,600 in September 2020, £38,000 in September 2021 and £39,500 in September 2022, in addition to the normal funding levels.

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

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	139	132
Employees' contributions	38	40
Total contributions	<u>177</u>	<u>172</u>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.9	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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

	2020 Years	2019 Years
Retiring today		
- Males	22.3	22.8
- Females	25.0	25.5
Retiring in 20 years		
- Males	23.8	25.1
- Females	26.8	28.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	Sensitivity 1 +0.1% pa Central £000	Sensitivity 2 +0.1% pa discount rate £000	Sensitivity 3 +0.1% pa inflation £000	Sensitivity 4 +0.1% pa pay growth £000	Sensitivity 5 1 yr increase in life expectancy £000
Liabilities	4,078	3,996	4,161	4,086	4,197
Assets	(2,104)	(2,104)	(2,104)	(2,104)	(2,104)
Deficit/surplus	1,974	1,892	2,057	1,982	2,093
Projected service cost	262	255	268	262	270
Projected net interest cost	34	34	34	34	34

The academy's share of the assets in the scheme	2020 Fair value £000	2019 Fair value £000
Equities	960	810
Bonds	145	27
Property	286	149
Other assets	713	708
Total market value of assets	2,104	1,694

The actual return on scheme assets was £311,000 (2019: £186,000).



# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17 Pension and similar obligations

<b>Amount recognised in the Statement of Financial Activities</b>	<b>2020 £000</b>	<b>2019 £000</b>
Current service cost	257	203
Past service cost	-	78
Interest income	(27)	(38)
Interest cost	59	63
	<hr/>	<hr/>
Total operating charge	289	306
	<hr/>	<hr/>
<b>Changes in the present value of defined benefit obligations</b>	<b>2020 £000</b>	<b>2019 £000</b>
At 1 September 2019	3,207	2,287
Current service cost	257	203
Interest cost	59	63
Employee contributions	38	40
Actuarial loss	595	610
Benefits paid	(78)	(74)
Past service cost	-	78
	<hr/>	<hr/>
At 31 August 2020	4,078	3,207
	<hr/>	<hr/>
<b>Changes in the fair value of the academy's share of scheme assets</b>	<b>2020 £000</b>	<b>2019 £000</b>
At 1 September 2019	1,694	1,410
Interest income	27	38
Actuarial gain	284	148
Employer contributions	139	132
Employee contributions	38	40
Benefits paid	(78)	(74)
	<hr/>	<hr/>
At 31 August 2020	2,104	1,694
	<hr/>	<hr/>

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 18 Reconciliation of net expenditure to net cash flows from operating activities

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period	91	(150)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(16)	(70)
Defined benefit pension costs less contributions payable	118	149
Defined benefit pension net finance cost	32	26
Depreciation of tangible fixed assets	100	103
Increase in debtors	(166)	(16)
Increase in creditors	57	33
<b>Net cash provided by operating activities</b>	<u>216</u>	<u>75</u>

#### 19 Analysis of changes in net funds

	<b>1 September</b>	<b>Cash flows</b>	<b>31 August</b>
	<b>2019</b>	<b>£000</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash	<u>564</u>	<u>101</u>	<u>665</u>

#### 20 Commitments under operating leases

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts due within one year	15	21
Amounts due in two and five years	4	17
	<u>19</u>	<u>38</u>

#### 21 Capital commitments

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Expenditure contracted for but not provided in the accounts	208	-
	<u>208</u>	<u>-</u>

At 31 August 2020 there was a commitment for the project for a new alarm system and fire doors.

# ALBANY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### **22 Related party transactions**

Trustees who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff.

There have been no other transactions with related parties that require reporting under FRS102.

### **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 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.