

Company Registration No. 08123168 (England and Wales)

ALBANY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

ALBANY LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 – 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 – 15
Independent reporting accountant's report on regularity	16 – 17
Statement of financial activities including income and expenditure account	18
Balance sheet	19
Statement of cash flows	20
Notes to the accounts including accounting policies	21 – 36

ALBANY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	H J Brown J Connor (Resigned 4 th October 2016) A Gibbs S Partington
Trustees	H J Brown (Chair of Governing Body) B Baybutt (Resigned 31 st August 2017) H Cable (Appointed 1 st September 2017) L Clarkson (Appointed 4 th October 2016 - Resigned 31 st March 2017) C Cook (Appointed 28 th March 2017) J Connor (Resigned 4 th October 2016) K Crane (Appointed 26 th June 2017) A Gibbs R Hodgkins (Vice Chair of Governing Body) M McGhee P J Mayland (Head Teacher and Accounting Officer) J Parkin (Appointed 22 nd March 2017) S Partington A Purcell (Appointed 19 th September 2017) A Rothwell (Appointed 13 th December 2016) D Thoburn D Turner (Resigned 23 rd May 2017) A Wiles M Wilson (Resigned 4 th October 2016) A Yates

Senior management team

Mr P Mayland (Headteacher)
Mr I Woods (Deputy Headteacher)
Mrs K Lowe (Deputy Headteacher – Left academy January 2017)
Mr P Crowther (Assistant Headteacher)
Mr J McNaboe (Assistant Headteacher)
Mrs E Molyneux (Assistant Headteacher)
Mr A Coxon (Senior Leader)
Mrs P Cunliffe (Head of Math's)
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 2017

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. 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 28th March 2015 Albany Academy converted to a multi-academy trust; Albany Learning Trust.

The governors act as the trustees for the charitable activities of the Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Albany Learning Trust.

Details of the governors 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.

Governors' indemnities

The Academy has purchased indemnity insurance to protect governors 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 governors

The governors are appointed by the following:

Staff governors	Elected by staff of the Academy
Other governors	Appointed by the Governing Body

Policies and procedures adopted for the induction and training of governors

All governors are provided with copies of the relevant school policies, the funding agreement and code of conduct for governors 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 training governor, clerk and Head Teacher.

Organisational structure

The Academy is governed by its Governing Body, 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 Governing Body, the Head Teacher and the Senior Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school improvement plan and budget, monitoring the school'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 full Governing Body:

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

ALBANY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

The Senior Leadership Team comprised:

Mr P Mayland	(Headteacher)
Mr I Woods	(Deputy Headteacher)
Mrs K Lowe	(Deputy Headteacher – Left academy January 2017)
Mr P Crowther	(Assistant Headteacher)
Mr J McNaboe	(Assistant Headteacher)
Mrs E Molyneux	(Assistant Headteacher)
Mr A Coxon	(Senior Leader)
Mrs P Cunliffe	(Head of Maths)
Miss K Billington	(Head of English)

Arrangements for setting pay and remuneration of key management personnel

Trustees and governors 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 school when setting the pay of the Headteacher and other senior staff.

Related parties and other connected charities and organisations

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

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 a school 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 provide support and education such that pupils achieve the targets set for them. To develop a collaborative culture within the school and with other organisations.

To prepare for the new national GCSE courses.

These were achieved by developing a culture of continual improvement in which if we are to do something we will do it well. Academic outcomes have continued to improve in key areas, especially science and many subjects remain high performing. New principles for teaching have been developed and the purpose of the trust has been made more explicit through the Albany Way. Systems have been refined to enable transfer to other schools and scalability across a growing trust. The performance of the school has been recognised by SSAT and the school has been awarded Leading Edge status. In addition, two of our middle leaders are Specialist Leaders of Education and have provided support to other schools.

ALBANY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Public benefit

The governors 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. Governors 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 and again in 2017 places the school in the top 10 Lancashire schools for pupil progress. Attainment reached a 3 year high in 2016, following continuing improvements following recent changes to national accountability measures in years 2014 and 2015. The pupil premium gap has been reduced in the past year and English, a key subject for improvement identified the latest Ofsted inspection report (2014), achieved outstanding results in 2016 and again in 2017. 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 school is increasingly popular and has been heavily oversubscribed in each of the past two years, with over 590 applicants for 135 places. In 2017 the school went over PAN and admitted 150 students.

Being a relatively small school 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. A small minority of students have low attendance and where this persists into Year 11, students do not perform as well as their peers.

ALBANY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

	9	8	7	6	5	4	3	2	1	U	Total	%7+	%5+	%4+
English Language	3	5	10	26	21	18	25	9	2	0	119	15	55	70
Literature	2	3	6	20	34	24	24	4	2	0	119	9	55	75
Maths	1	3	8	14	21	30	23	11	7	1	119	10	40	65
		A*	A	B	C	D	E	F	G	U	Total	%A*/A	%A*/B	%A*/C
Art		1	5	4	4	0	0	0	0	0	14	43	71	100
Biology		0	4	11	8	0	0	0	0	0	23	17	65	100
Catering		1	6	8	11	5	0	1	0	0	32	22	47	81
Chemistry		2	2	12	7	0	0	0	0	0	23	17	70	100
Child Development		1	4	2	2	1	3	0	0	0	13	38	54	69
Computer Science		0	0	3	3	2	3	2	1	0	14	0	21	43
Drama		0	0	3	2	7	6	2	0	0	20	0	15	25
French		1	1	11	14	12	4	1	0	0	44	5	30	61
Geography		0	7	8	16	15	8	4	0	0	58	12	26	53
Graphics		0	2	7	3	4	1	1	0	0	18	11	50	67
History		2	6	6	1	3	3	1	1	0	23	35	61	65
Music		0	1	3	2	3	0	1	0	0	10	10	40	60
PE		1	5	12	14	5	1	0	0	0	38	16	47	84
Photography		2	2	3	8	0	0	0	0	0	15	27	47	100
Physics		0	3	11	9	0	0	0	0	0	23	13	61	100
RE		2	5	13	7	3	2	1	0	0	33	21	61	82
Science (additional)		0	0	14	36	26	8	8	2	0	94	0	15	53
Science (core)		0	0	15	30	32	11	5	2	0	95	0	16	47

Attainment 8		4.3
Progress 8		-0.16
English & Maths 4+		61%
English & Maths 5+		35%
Ebacc		8%

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'.

Going concern

After making appropriate enquiries, the Governing Body 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.

ALBANY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The Academy's total incoming resources during the year were £3,924,000 (2016: £3,680,000). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the year was £3,712,000 (2016: £3,514,000); further details are provided in note 4 to the accounts.

Total outgoing resources for the year were £3,924,000 (2016: £3,844,000). The excess of expenditure over income was £nil (2016: £164,000).

At the year end the Academy's total reserves were £2,754,000 (2016: £2,645,000), including unrestricted funds of £215,000 (2016: £21,000) and restricted funds of £2,539,000 (2016: £2,624,000). Restricted funds include fixed assets of £3,577,000 (2016: £3,656,000), less the LGPS pensions scheme deficit of £1,033,000 (2016: £1,037,000) and the deficit on general restricted funds of £5,000 (2016: Surplus - £5,000). Included within the general restricted fund balance is £45,000 (2016: £45,000) still outstanding in relation to the boiler loan inherited on conversion. The remaining balances on restricted funds relate to funding received to date which is due to be spent in future years in accordance with the terms of funding. Further detail is provided in note 16.

At 31 August 2017 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 £1,033,000 by 31 August 2017, 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 2017. Reserves policy

Restricted GAG reserves:

The governors 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 2017 the Academy held GAG reserves of £nil (2016: £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 2017 the level of unrestricted reserves held was £215,000 (2016: £21,000).

It is the governors' 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 £210,000.

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.

ALBANY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

The governors 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. Governors have undertaken a risk review and completed a risk register.

The principal risk is deemed to be the reliance on government funding via the EFA. 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

Plans for future periods

The Academy plans to fully act upon the areas for development as detailed in the School Improvement Plan. Key areas remain responding to national curriculum changes, improving attendance of a small minority of students, refining our post -16 preparation.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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 Governing Body, as the company directors, on 12/12/17 and signed on its behalf by:


.....
H J Brown
Chair of Governing Body

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustee's 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.

The Governing Body 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 Governing Body any material weaknesses or breakdowns in internal control.

Governance

The governance of Albany Academy consists of the Trust (3 members who are also governors), the full Governing Body (consisting of parent, staff and community governors as well as the Head Teacher) and 3 committees. The performance of the committees and the Governing Body 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 Governing Body 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 Governing Body.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The full Governing Body has formally met 4 times during the period. In addition, governors undertake a significant amount of school business via email, link governor arrangements and other informal visits to school. Governors are involved in all staff appointments. The Headteacher and Chair of Governors discuss school issues weekly.

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

Trustees	Meetings attended	Out of possible
B Baybutt (Resigned 31 st August 2017)	1	4
H J Brown (Chair of Governing Body)	4	4
L Clarkson (Appointed 4 th October 2016 - Resigned 31 st March 2017)	0	2
J Connor (Resigned 4 th October 2016)	0	1
C Cook (Appointed 28 th March 2017)	2	2
K Crane (Appointed 26 th June 2017)	0	1
A Gibbs	4	4
R Hodgkins (Vice Chair of Governing Body)	2	4
P J Mayland (Head Teacher and Accounting Officer)	4	4
M McGhee	3	4
J S Parkin (Appointed 22 nd March 2017)	1	2
S Partington	4	4
A J Rothwell (Appointed 13 th December 2016)	3	3
D W Thoburn	4	4
D Turner (Resigned 23 rd May 2017)	1	3
A Wiles (Chair of Finance)	2	4
M Wilson (Resigned 4 th October 2016)	0	1
A Yates	2	4

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 governing body have undertaken a skills analysis and following the end of term of governors will recruit to complement the skills gaps left by leaving governors.

The Finance, Audit, Buildings & Staffing Committee is a committee of the main Governing Body. Its purpose is to provide strategic financial oversight of the school and report back to the full Governing Body.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of possible
H J Brown (Chair of Governing Body)	3	3
J Connor (Resigned 4 th October 2016)	0	0
A Gibbs	3	3
R Hodgkins (Vice Chair of Governing Body)	3	3
P Mayland (Head Teacher and Accounting Officer)	3	3
D Turner (Resigned 23 rd May 2017)	0	2
A Wiles (Chair of Finance)	2	3
A Yates	2	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 school 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 the main corridor, gym and music and drama rooms were refurbished, in part through sound financial management and in part by successful application for central government and charitable bodies.
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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

ALBANY LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- 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;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed CWR, as the external auditor, to perform additional checks.

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:

- a full review of all systems and procedures
- 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 Governing Body on 12/12/17..... and signed on its behalf by:


.....
H J Brown
Chair of Governing Body


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

ALBANY LEARNING TRUST

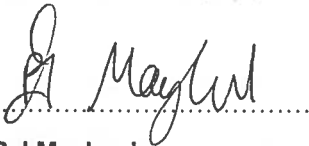
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

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

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



P J Mayland
Accounting officer

12/12/17

ALBANY LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Albany Learning Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 12/12/17 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 2017

We have audited the financial statements of Albany Learning Trust (the 'Academy Trust') for the year ended 31st August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 the 31st 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.

ALBANY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2017

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 2017

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

.....*R. Mitchell*.....
Mr Robert Mitchell ACA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:12/12/2017.....

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 2017

In accordance with the terms of our engagement letter dated 31st August 2017 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 Albany Learning Trust during the year from the 1st September 2016 to the 31st 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 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 1st 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 from the 1st September 2016 to the 31st August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 9.4 of the Academies Accounts Direction 2016 to 2017 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express an 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 2017

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 the 1st September 2016 to the 31st August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....*RMH*.....

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

Date:*12/12/2017*.....

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 2017

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2017 £000	Total 2016 £000
Income and endowments from:						
Donations and capital grants	3	21	1	136	158	136
Charitable activities:						
- Funding for educational operations	4	138	3,574	-	3,712	3,514
Other trading activities	5	53	-	-	53	30
Investments	6	1	-	-	1	-
Total income and endowments		<u>213</u>	<u>3,575</u>	<u>136</u>	<u>3,924</u>	<u>3,680</u>
Expenditure on:						
Raising funds	7	-	-	-	-	5
Charitable activities:						
- Educational operations	8	101	3,705	118	3,924	3,839
Total expenditure	7	<u>101</u>	<u>3,705</u>	<u>118</u>	<u>3,924</u>	<u>3,844</u>
Net income/(expenditure)		112	(130)	18	-	(164)
Transfers between funds		81	16	(97)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	108	-	108	(403)
Net movement in funds		193	(6)	(79)	108	(567)
Reconciliation of funds						
Total funds brought forward		22	(1,032)	3,656	2,646	3,212
Total funds carried forward		<u>215</u>	<u>(1,038)</u>	<u>3,577</u>	<u>2,754</u>	<u>2,645</u>

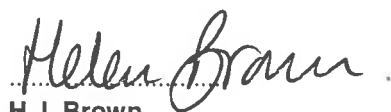
ALBANY LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12		3,577		3,656
Current assets					
Debtors	13	110		89	
Cash at bank and in hand		486		294	
		<u>596</u>		<u>383</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(363)		(334)	
Net current assets			<u>233</u>		<u>49</u>
Total assets less current liabilities			<u>3,810</u>		<u>3,705</u>
Creditors: amounts falling due after more than one year	15		(23)		(23)
Net assets excluding pension liability			<u>3,787</u>		<u>3,682</u>
Defined benefit pension liability	18		(1,033)		(1,037)
Net assets			<u>2,754</u>		<u>2,645</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			3,577		3,656
- Restricted income funds			(5)		5
- Pension reserve			(1,033)		(1,037)
Total restricted funds			<u>2,539</u>		<u>2,624</u>
Unrestricted income funds	16		<u>215</u>		<u>21</u>
Total funds			<u>2,754</u>		<u>2,645</u>

The accounts were approved by the board of trustees and authorised for issue on 12/12/17 and are signed on its behalf by:



H J Brown
Chair of trustees

Company Number 08123168

ALBANY LEARNING TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	94	(49)
Cash flows from investing activities			
Dividends, interest and rents from investments		1	-
Capital grants from DfE and ESFA		136	114
Payments to acquire tangible fixed assets		(39)	(64)
		<u>98</u>	<u>50</u>
Change in cash and cash equivalents in the reporting period		192	1
Cash and cash equivalents at 1 September 2016		<u>294</u>	<u>293</u>
Cash and cash equivalents at 31 August 2017		<u>486</u>	<u>294</u>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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.

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

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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 trust 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 2017

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 trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust'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 2017

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 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.

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

Financial assets

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

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 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 Education and Skills Funding Agency/Department for Education.

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Private sponsorship	-	1	1	-
Capital grants	-	136	136	114
Other donations	21	-	21	22
	<u>21</u>	<u>137</u>	<u>158</u>	<u>136</u>

The income from donations and capital grants was £158,000 (2016: £136,000) of which £21,000 was unrestricted (2016: £1,000), £1,000 was restricted (2016: £21,000) and £136,000 was restricted fixed assets (2016: £114,000).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA grants				
General annual grant (GAG)	-	3,262	3,262	3,043
Other DfE / ESFA grants	-	199	199	219
	<u>-</u>	<u>3,461</u>	<u>3,461</u>	<u>3,262</u>
Other government grants				
Local authority grants	-	113	113	52
	<u>-</u>	<u>113</u>	<u>113</u>	<u>52</u>
Other funds				
Other incoming resources	138	-	138	200
	<u>138</u>	<u>-</u>	<u>138</u>	<u>200</u>
Total funding	<u>138</u>	<u>3,574</u>	<u>3,712</u>	<u>3,514</u>

The income from funding for educational operations was £3,712,000 (2016: £3,514,000) of which £138,000 was unrestricted (2016: £122,000) and £3,574,000 was restricted (2016: £3,392,000).

The academy trust received £49,000 (2016: £38,000) from the local authority in the year being SEN 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 2017 £000	Total 2016 £000
Hire of facilities	46	-	46	26
Other income	7	-	7	4
	<u>53</u>	<u>-</u>	<u>53</u>	<u>30</u>

The income from other trading activities was £53,000 (2016: £30,000) of which £53,000 was unrestricted (2016: £30,000).

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Other investment income	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The income from funding for investment income was £1,000 (2016: £-) of which £1,000 was unrestricted (2016: £-).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds	-	-	-	-	5
Academy's educational operations					
- Direct costs	2,344	-	170	2,514	2,442
- Allocated support costs	595	561	254	1,410	1,397
	<u>2,939</u>	<u>561</u>	<u>424</u>	<u>3,924</u>	<u>3,844</u>

The expenditure on raising funds was £- (2016: £5,000) of which £- was restricted (2016: £5,000).

Net income/(expenditure) for the year includes:

	2017 £000	2016 £000
Fees payable to auditor for:		
- Audit	5	9
- Other services	5	5
Operating lease rentals	81	68
Depreciation of tangible fixed assets	118	109
Net interest on defined benefit pension liability	18	22
	<u>18</u>	<u>22</u>

8 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Direct costs - educational operations	-	2,514	2,514	2,442
Support costs - educational operations	101	1,309	1,410	1,397
	<u>101</u>	<u>3,823</u>	<u>3,924</u>	<u>3,839</u>

The expenditure on educational operations was £3,924,000 (2016: £3,839,000) of which £101,000 was unrestricted (2016: £202,000), £3,705,000 was restricted (2016: £3,528,000) and £118,000 was restricted fixed assets (2016: £109,000).

	2017 £000	2016 £000
Analysis of support costs		
Support staff costs	595	493
Depreciation and amortisation	118	109
Technology costs	13	3
Premises costs	430	416
Other support costs	237	361
Governance costs	17	15
	<u>1,410</u>	<u>1,397</u>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £000	2016 £000
Wages and salaries	2,179	2,148
Social security costs	213	185
Operating costs of defined benefit pension schemes	427	400
	<hr/>	<hr/>
Staff costs	2,819	2,733
Supply staff costs	76	24
Staff restructuring costs	33	3
Staff development and other staff costs	11	-
	<hr/>	<hr/>
Total staff expenditure	2,939	2,760

Staff numbers

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

	2017 Number	2016 Number
Teachers	32	32
Administration and support	45	48
Management	8	7
	<hr/>	<hr/>
	85	87

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	2
£70,000 - £80,000	1	1
	<hr/>	<hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £32,901 (2016: £2,526). Individually, the payments were £23,433 and £9,468.

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 £496,000 (2016: £557,000).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

The headteacher 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)	£75,001 - £80,000	(2016: £75,001 - £80,000)
B Baybutt (staff trustee)	£35,001 - £40,000	(2016: £35,001 - £40,000)
D Thoburn (staff trustee)	£45,001 - £50,000	(2016: £45,001 - £50,000)

The value of trustees' pension contributions was as follows:

P Mayland (headteacher and trustee)	£10,001 - £15,000	(2016: £10,001 - £15,000)
B Baybutt (staff trustee)	£5,001 - £10,000	(2016: £5,001 - £10,000)
D Thoburn (staff trustee)	£5,001 - £10,000	(2016: £5,001 - £10,000)

During the year ended 31 August 2017 no expenses incurred on behalf of the academy were reimbursed to trustees (2016: £nil).

11 Trustees and officers insurance

The academy trust 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 trust 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.

12 Tangible fixed assets

	Leasehold land & buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 September 2016	3,792	72	134	3,998
Additions	-	33	6	39
At 31 August 2017	3,792	105	140	4,037
Depreciation				
At 1 September 2016	255	43	44	342
Charge for the year	67	27	24	118
At 31 August 2017	322	70	68	460
Net book value				
At 31 August 2017	3,470	35	72	3,577
At 31 August 2016	3,537	29	90	3,656

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Debtors	2017	2016
	£000	£000
VAT recoverable	47	42
Other debtors	11	-
Prepayments and accrued income	52	47
	<u>110</u>	<u>89</u>
14 Creditors: amounts falling due within one year	2017	2016
	£000	£000
Trade creditors	229	140
Other taxation and social security	52	54
Other creditors	67	68
Accruals and deferred income	15	72
	<u>363</u>	<u>334</u>
15 Creditors: amounts falling due after more than one year	2017	2016
	£000	£000
Other creditors	<u>23</u>	<u>23</u>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant	-	3,262	(3,288)	26	-
Other DfE / ESFA grants	40	199	(199)	-	40
Other government grants	-	113	(113)	-	-
Other restricted funds	(35)	1	(1)	(10)	(45)
	<u>5</u>	<u>3,575</u>	<u>(3,601)</u>	<u>16</u>	<u>(5)</u>
Funds excluding pensions					
Pension reserve	(1,037)	-	(104)	108	(1,033)
	<u>(1,032)</u>	<u>3,575</u>	<u>(3,705)</u>	<u>124</u>	<u>(1,038)</u>
Restricted fixed asset funds					
Transferred on conversion	3,537	-	(114)	-	3,423
DfE / ESFA capital grants	-	136	(1)	(122)	13
Capital expenditure from GAG	119	-	(3)	25	141
	<u>3,656</u>	<u>136</u>	<u>(118)</u>	<u>(97)</u>	<u>3,577</u>
Total restricted funds	<u>2,624</u>	<u>3,711</u>	<u>(3,823)</u>	<u>27</u>	<u>2,539</u>
Unrestricted funds					
General funds	21	213	(101)	81	215
	<u>21</u>	<u>213</u>	<u>(101)</u>	<u>81</u>	<u>215</u>
Total funds	<u>2,645</u>	<u>3,924</u>	<u>(3,924)</u>	<u>108</u>	<u>2,754</u>

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 transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

The transfer of £27,000 from unrestricted to restricted funds is for the purpose to remove any potential deficit carry forward on restricted funds.

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2017 £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,577	3,577
Current assets	215	381	-	596
Creditors falling due within one year	-	(363)	-	(363)
Creditors falling due after one year	-	(23)	-	(23)
Defined benefit pension liability	-	(1,033)	-	(1,033)
	<u>215</u>	<u>(1,038)</u>	<u>3,577</u>	<u>2,754</u>

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012, and that of the LGPS related to the period ended 31 March 2016.

Pension contributions amounting to £44,000 (2016: £45,000) were outstanding at the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £252,000 (2016: £187,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.5% for employers and 5.5 to 12.5% for employees.

The academy has entered into an agreement to make contributions towards the deficit of £23,600 in September 2016 and £23,600 in September 2017, 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.

Total contributions made	2017	2016
	£000	£000
Employer's contributions	119	102
Employees' contributions	35	31
Total contributions	<u>154</u>	<u>133</u>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.7	3.3
Rate of increase for pensions in payment	2.2	1.9
Discount rate	2.4	2.1
Inflation assumption (CPI)	2.2	1.8

The sensitivity of the scheme liabilities, and therefore the net deficit, to changes in the principal assumptions used to measure the scheme liabilities are as follows:

	Central	Sensitivity 1 +0.1% pa discount rate	Sensitivity 2 +0.1% pa inflation	Sensitivity 3 +0.1% pa pay growth	Sensitivity 4 1 yr increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	2,217	2,169	2,266	2,226	2,257
Assets	(1,184)	(1,184)	(1,184)	(1,184)	(1,184)
Deficit/surplus	1,033	985	1,082	1,042	1,073
Projected service cost	207	201	213	207	211
Projected net interest interest cost	23	23	25	24	24

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

	2017	2016
	Years	Years
Retiring today		
- Males	22.6	23
- Females	25.2	25.6
Retiring in 20 years		
- Males	24.9	25.2
- Females	27.9	27.9

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

The academy trust's share of the assets in the scheme	2017	2016
	Fair value	Fair value
	£000	£000
Equities	521	302
Bonds	49	20
Property	123	74
Other assets	491	386
Total market value of assets	1,184	782
Actual return on scheme assets - gain/(loss)	276	142

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

Amounts recognised in the statement of financial activities

2017	2016
£000	£000

Current service cost	205	116
Interest income	(18)	(23)
Interest cost	36	45
	<hr/>	<hr/>
Total operating charge	223	138
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations

2017	2016
£000	£000

Obligations at 1 September 2016	1,819	1,110
Current service cost	205	116
Interest cost	36	45
Employee contributions	35	31
Actuarial loss	150	522
Benefits paid	(28)	(5)
	<hr/>	<hr/>
At 31 August 2017	2,217	1,819
	<hr/>	<hr/>

Changes in the fair value of the academy trust's share of scheme assets

2017	2016
£000	£000

Assets at 1 September 2016	782	512
Interest income	18	23
Actuarial gain	258	119
Employer contributions	119	102
Employee contributions	35	31
Benefits paid	(28)	(5)
	<hr/>	<hr/>
At 31 August 2017	1,184	782
	<hr/>	<hr/>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities

	2017	2016
	£000	£000
Net expenditure for the reporting period	-	(164)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(136)	(114)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	86	16
Defined benefit pension net finance cost	19	22
Depreciation of tangible fixed assets	118	109
(Increase)/decrease in debtors	(21)	86
Increase/(decrease) in creditors	29	(4)
Net cash provided by operating activities	94	(49)

20 Commitments under operating leases

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

	2017	2016
	£000	£000
Amounts due within one year	79	79
Amounts due in two and five years	46	122
	<u>125</u>	<u>201</u>

21 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.

22 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.