



Adventure Learning Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2017

Company Number: 08614382

Adventure Learning Academy Trust

Report and Financial Statements for the year ended 31 August 2017

Contents	Page
Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	14
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	24
Statement of Financial Activities including Income and Expenditure Account	26
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements incorporating:	
Statement of Accounting Policies	30
Notes to the Financial Statements	36

Adventure Learning Academy Trust

Reference and Administration Details

Members:	Helping Hand Trust Limited (Subscriber) Adventure Learning Schools (Subscriber) Mr A Elson (resigned 19/12/16) Mr S Moore (appointed 19/12/16)
Trustees:	Helping Hands Trust Limited Adventure Learning Schools Mr D Hare (appointed 27/03/17) Mr A Elson (resigned 10/04/17) Mr S Moore Miss A Sarginson (resigned 03/04/17) Mrs K Kirkham (resigned 13/02/17) Mr T Flanagan (resigned 05/05/17) Prof G Holmes (appointed 17/03/17) Mrs M McKeeman (appointed 13/02/17, resigned 28/11/17) Mrs S Davey (resigned 05/12/16) Mrs H Hoskin (appointed 28/11/17)
Key Management Personnel:	Mrs H Hoskin
Principal and Registered Office:	Fowey River Academy, Windmill, Fowey, Cornwall, PL23 1HE
Company Registration Number:	08614382
Independent Auditor:	BDO LLP, 3 Hardman Street, Manchester, M3 3AT
Bankers:	Lloyds Bank PLC, Boscawen St, Truro, TR1 2QT

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

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

The trust operates four primary and one secondary academies in the Cornwall region in South West England.

Structure, Governance and Management

Constitution

Adventure Learning Academy Trust ("the Trust") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association ("the Articles") are the primary governing documents of the Multi-Academy Trust.

The trustees of Adventure Learning Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Adventure Learning Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

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

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed subject to the Articles and are subject to retirement after four years but are eligible for appointment at the meeting at which they retire, with exception of the Chief Operating Officer.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees receive support in the form of mentoring and peer support and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents required to undertake their role as trustee.

Organisational Structure

The Adventure Learning Academy Trust is ultimately responsible to the Department for Education and must ensure that its academies act in accordance with the Master Funding Agreement, Supplemental Funding Agreement, Academies Financial Handbook and all other relevant legislation. The Chief Operating Officer of the Trust holds the position of Accounting Officer for the Trust and must act in accordance with the requirements of that role.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

In order to fulfil its responsibility the Adventure Learning Academy Trust Board has established a central Audit Committee and Finance Committee to consider finance and other matters such as HR across all its academies. The Adventure Learning Academy Trust has also established an Accountability Review and Challenge Group (ARC) at regional and academy level in accordance with the ARC Terms of Reference.

The Trust consists of five Academies:

Altarnun Primary – Altarnun is a small rural infant and junior school set on the fringes of Bodmin Moor in Cornwall. At the point of conversion this school was graded 4 across all areas by Ofsted and was placed in special measures. The recent most Ofsted inspection in September shows the school is improving across all areas and is now grade 3 across the board. Due to its small numbers, Altarnun is excluded from floor standard measures. A new principal has been appointed to start at Easter 2018.

Fowey River Academy – Fowey River Academy is a school for 11-16 year olds based in the small town of Fowey in Cornwall. At the point of conversion this school was graded 3 across all areas by Ofsted. The most recent Ofsted inspection grades this school as requiring improvement. Progress 8 scores have improved from -0.23 (15/16) to roughly in line with national progress expectations. (16/17).

Gulval School – Gulval is a mixed infant and junior school in Penzance in Cornwall. At the point of conversion this school was graded 4 across all areas by Ofsted and was placed in special measures. The recent most Ofsted inspection shows the school has significantly improved across all areas and is now graded as good and outstanding for personal development, behaviour and welfare. All KS2 results are above the national for reading, writing and maths.

Liskeard Hillfort Primary School – Liskeard Hillfort is a mixed infant and junior school in Liskeard in Cornwall. At the point of conversion this school was graded 3 across all areas by Ofsted. The recent most Ofsted inspection shows the school is improving and is now graded good for personal development, behaviour and welfare and in Early Years. EYFSP and Key stage 1 writing results are above the national average.

Tywardreath Primary – Tywardreath is a mixed infant and junior school in Par in Cornwall. At the point of conversion this school was graded 4 across all areas by Ofsted and was placed in special measures. This school is now awaiting an Ofsted inspection. The school self-evaluation judgement shows this school is now good across all areas. This has been externally validated by 'Challenge Partners.' Results are above national for EYFSP, phonics, all three subjects in KS1 and maths in KS2.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management personnel must be subject to approval by the Board of Trustees. At the start of each academic period a process of performance appraisal is undertaken to confirm management operational targets. At the end of each period performance is agreed against each of these targets and recommendations for pay and remuneration are presented to the Board for approval in line with the Trust's pay policy. The policy also sets out how pay is authorised for senior leadership teams in the individual academies.

Related Parties and other Connected Charities and Organisations

The Adventure Learning Academy Trust is connected to another Multi-Academy trust, Bright Tribe Trust, via Helping Hands Trust Limited being a member of both charities. Both Multi-Academy trusts ensure value for money is achieved by working collaboratively together across all areas of operations.

During the year, the trust has benefitted, again, from the financial and resource support provided by Dr Michael Dwan, the principal benefactor of both Helping Hands Trust Limited and the chair of Adventure Learning Schools. This year however represents the final year in respect of these transactions

During the financial year the trust made net aggregated cost or less purchases from the above named companies of £7k (2016: £341k) which can be analysed as £Nil (2016: £341k) cost of staff TUPE'd from the trust/other recharges and £7k (2016: £Nil) services provided to the trust, all provided at cost.

The costs attributed to TUPE and other associated recharges are not discretionary and are fixed by law in the case of TUPE and the other recharges relate to elements such as utilities, which are also not discretionary. To be clear, no charge has been made for any additional services provided by any party connected to Dr Dwan.

The trust also declared in-kind donations provided by parties connected to Dr Dwan of £Nil (2016: £89k) relating to the delivery of a managed estate service for the trust estate and the provision of a data management platform at below and nil cost respectively.

We also wish to confirm that no additional services have been provided indirectly by any party connected to Dr Dwan.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Objectives and Activities

Objects and Aims

The charitable objects are:

- To advance education for the public benefit, in particular but without prejudice to the generality of the foregoing by acquiring, establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- To provide, or procure for the benefit of the inhabitants of the areas in which the academies are located, and surrounding areas, facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disability, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare to improve their quality of life.

Objective, Strategies and Activities

Our aim is for The Adventure Learning Academy Trust to be a new breed of Academy Trust; a model that leads the way for successful, properly considered, expansion of academy multi-chain networks and which brings together expertise from the education field and the professionalism and influences of commercial partners.

We aim to bring a new energy and approach to providing the best education for all children.

Through proven practices, The Adventure Learning Academy Trust transforms the learning of children, raises standards and provides the highest quality learning environments, enabling learnings and teaching staff to thrive and be the best. Our aim is to break down the barriers that limit educational progress. We do this through adopting an approach that takes account of individual needs, aspirations, and talents.

The founding sponsors of The Adventure Learning Academy Trust share the same vision for teaching and learning and school ethos; a vision focused on the individual learning needs of every child. The Adventure Learning Academy Trust has developed an approach to personal learning that enables each learner to reach the highest level of individual achievement through the acquisition of a range of learning skills and a customised curriculum.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Schools joining our network will be prepared to do things differently

Adventure Learning Academy Trust brings fresh ideas, creative ways of working and an ethos that embraces challenge and change. Our team combines leading educational provision with the best professional business management skills, enabling our schools to focus on what they do best — delivering outstanding education. We want schools joining our academy network to be proud to be part of our growing community and, through wider collaboration and knowledge sharing, support each other to be outstanding.

The standards we set are very high

We aim to set the lead for others to follow; in curriculum, in teaching and learning; in staff development; in technology and environment; and in school leadership and performance. We will help schools get there; working with them to plan their improvement pathway and supporting them every step of the way.

Public Benefit

Through our community of academies, we aim to provide the best life opportunities for all learners, to raise the aspirations of all who encounter us, and to help to revolutionise the education landscape. The Trustees are satisfied that the Trust has paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with section 4 of the Charities Act 2006.

Strategic Report

Achievements and Performance

To date the Trust has:

- Developed strong relationships and a positive profile within the Department for Education at all levels including with the Academies Board, school brokers and Regional School Commissioners, to ensure that the expertise and interests of Adventure Learning Academy Trust are well known and that the Trust is well positioned to take over outstanding, good and poorly performing schools.
- The Adventure Learning Academy Trust is working with schools in challenging communities and with inherited poor financial positions which require intense support and difficult decisions to be made. The Trust is committed to supporting all of its academies on their improvement journey.

Adventure Learning Academy Trust

Trustees' Report

for the period ended 31 August 2017

Key Performance Indicators

The Trust is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. The Trust is monitored through the completion and submission to the ESFA of:

- Annual Accounts Return
- Annual Budget Forecast; and
- Pupil Numbers (School census)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the company has adequate resources to continue its activities 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

Most of the Academies' income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

As at 31 August 2017 the net book value of tangible fixed assets was £20,172k (2016: £20,109k) and an analysis of these fixed assets is shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and associated support services to the pupils of Adventure Learning academies.

During the year ended 31 August 2017, total expenditure of £8,441k (2016: £8,508k) was funded by recurrent grant funding from the ESFA together with other incoming resources. Excluding fixed assets and pension funds, there was an in-year deficit of £71k (2016: £17k). As at 31 August 2017 the Restricted and Unrestricted general fund balances were a surplus of £Nil (2016:£Nil) and surplus of £79k (2016: £135k) respectively.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS 102. At 31 August 2017 the Trust had an outstanding defined benefit pension liability of £1,737k (2016: £3,040k).

Financial and Risk Management Objectives and Policies

As outlined in our risk management policy; risk management is a central part of our strategic management and culture. It is the process whereby the Trust methodically address the risks attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

The trustees have implemented a risk management process to identify, evaluate and manage risks across the organisation through corporate, departmental and operational risk registers. Special focus is around operational areas (e.g. in relation to teaching, health and safety, bullying, vetting of new staff and visitors, supervision of school grounds and school trips) and also in relation to the control of finances. Where significant financial risk still remains the trustees have ensured that they have adequate insurance cover.

As trustees, we acknowledge we have overall responsibility for ensuring that the Trust has an effective, sound and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust which enables us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities while complying with relevant laws and regulations.

Our system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties, monitoring of controls, training of staff and a system of delegation and accountability.

The Academies' buildings are leased from Local Authorities for a peppercorn rent. In accordance with FRS 102 the buildings on long leases from County Council and Local Authorities have been recognised as tangible fixed assets in the accounts and the value of the buildings treated as voluntary income in the accounts, in the year of transfer to the Adventure Learning Trust. In accordance with Charities Statement of Recommended Practice, 'Account and Reporting by Charities' (SORP 2015), such gifts are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The purpose of the Trust's Finance Regulations manual is to: provide instruction and guidance to chairs of local governing bodies, academy principals and heads, academy finance officers and our central support staff; and ensure that each academy within the Trust and its subsidiaries ("the Group") maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

Reserves Policy

The Trustees review the reserve levels of each Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

As at 31 August 2017 the Restricted and Unrestricted general fund balances were a surplus of £Nil (2016:£Nil) and surplus of £79k (2016: £135k) respectively. At 31 August 2017 the Trust had an outstanding defined benefit pension liability of £1,737k (2016: £3,040k) and a Restricted Fixed Asset reserve of £19,879k (2016: £19,750).

Investment Policy

The Adventure Learning Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition the trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Surplus funds identified from time to time above a protected base level for working capital can be invested with or via the following instruments;

- Interest bearing Bank Deposit accounts
- Bonds
- Treasury Bills
- Money Market Funds via Financial Conduct Authority (FCA) banks

It is the intention of the Adventure Learning Trust to make investments in ways that are consistent with the values of the Adventure Learning Trust as expressed in the mission statement and ethos.

Principal Risks and Uncertainties

The principal risks have been identified as;

- Reputational – the continued success of attracting sufficient numbers of students to the academies by maintaining and improving educational standards and maintaining the Adventure Learning moral purpose and offering.
- Government Funding/Financial – the trust has considerable reliance on the continued government funding through the ESFA and there is no assurance that government policy or practise will remain the same and funding will remain at the same levels or on the same basis.
- Staffing – the ability to retain, recruit and train quality staff and managers.
- Safeguarding and Child Protection – our moral purpose is to seek to secure a place in a good school as a fundamental entitlement for every child and ensure the highest standards of selection and monitoring of staff, the operation of child protection policies, health and safety and discipline.
- Governance and Management – the risk is the failure to effectively manage the academies' finances, controls and education and operational performance.
- Maintaining adequate funding of pension liabilities – the financial statements report the increase in pension scheme deficit under the requirements of FRS 102. This may fluctuate over time based on economic and Local Authority investment policy. This is a long-term liability where it is hoped that it will reduce in future by employer contributions and additional lump sum payments.

Plans for Future Periods

At the heart of the Adventure Learning model of schooling are the values, entitlements and guarantees that are described below. It is these principles and standards that give Adventure Learning schools their distinctive ethos and that are reflected in the key components of the whole-school design. These five elements are the essential features of an outstanding school and each is underpinned by a set of proven practices that are consistently adopted across the Adventure Learning academy chain. They are:

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Leadership

Adventure Learning schools are driven by a moral purpose ensuring that all learners reach their potential both academically and socially within a humanising school ethos. Such leadership has a total and persistent focus on high quality teaching and learning, a rigorous, coherent and enquiry-led curriculum coupled with developmental performance management. Leadership is shared within and across schools through the use of school improvement teams.

Curriculum frameworks

Adventure Learning schools have an unrelenting focus on literacy and numeracy within a wide-ranging curriculum entitlement. This includes the active use of learning platforms and new technologies, the creation of personalised curriculum pathways and the facilitation of cross-curricular learning expeditions. These frameworks are designed to ensure rigour which enable learners to acquire the appropriate skills and qualifications that lead to employment, further education and higher education opportunities.

High quality teaching

In Adventure Learning schools, high quality teaching is ensured by a common framework for teaching and learning being adopted across all schools, with professional development being influenced by 'instructional rounds' that result in a deeper understanding of the link between teaching and learning. This is driven by evidence-based strategies for improved learning and teaching as well as the development of best practice through collaborative working across Adventure Learning Academy Trust.

Partnerships

Adventure Learning schools promote partnerships which increase capacity and improve outcomes for learners, schools and families through strong parental involvement, active community and employer connectivity, and excellent student progression 3–19 and beyond. In designing and developing partnerships to support this progress there is a strong emphasis on understanding community needs and the effective facilitation of collaborative working at all levels.

Adventure Learning Academy Trust

Trustees' Report

for the year ended 31 August 2017

Accountability

Accountability for the highest of standards is part of the Adventure Learning DNA. In this regard, there is an expectation that Adventure Learning schools will share a commitment to meeting the most demanding of external accountability measures. Of equal importance is the need to rigorously address internal accountability measures through the adoption of effective practices in assessment and data management. In Adventure Learning schools, this includes developing robust systems and processes to embed effective practices in school self-evaluation and tracking students' progress on a regular six-weekly basis.

Our Goals

The Adventure Learning whole-school design aims to deliver the following outcomes for all children by providing a vibrant and enriching educational experience:

- Support all children at primary stage, regardless of initial entry levels, to achieve at least national expectations.
- Ensure all primary schools exceed floor targets and are secure above national standard.
- Support all secondary students to achieve above national average qualifications in at least five GCSEs, the English Baccalaureate and/or equivalent industry recognised, vocational qualifications.
- Provide a breadth of curriculum pathways 14–19, including A Levels, AS Levels and vocational offers.
- Support all of our academies to achieve an Ofsted rating of 'outstanding' within a rigorous improvement plan.

Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on the board's behalf by:



Mr D Hare

Trustee

Adventure Learning Academy Trust

Governance Statement

for the year ended 31 August 2017

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the period. Attendance during the year at meetings of the board of trustees was as follows:.

Trustee	Meetings attended	Out of a possible
Mr A Elson, Chairman	2	3
Mrs M McKeeman, Chief Operating Officer	3	4
Mrs K Kirkham	3	3
Miss A Sarginson, Director of Business Services	3	3
Mr T Flanagan	1	3
Mr S Moore	3	3
Mr G Holmes	2	4
Mr D Hare	2	2
Mrs S Davey, Executive Principal	-	1
Helping Hands Trust (represented by Dr M Dwan)	4	4

The board has faced the following challenges during the year;

- Raising levels of progress and achievement quickly from very low starting points within our academies.
- Ensuring financial stability within our academies.

Adventure Learning Academy Trust

Governance Statement

for the year ended 31 August 2017

The Executive Committee is a sub-committee of the main board of trustees and has authority from the Board to make decisions on any matters arising between scheduled meetings of the directors which require urgent attention.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Kirkham	2	2
Mr A Elson, Chairman	1	1
Mr S Moore	2	2
Mrs M McKeeman	1	1
Helping Hands Trust (represented by Dr M Dwan)	3	3

The Finance Committee is a sub-committee of the main board of trustees and its purpose is to:

- regularly monitor actual expenditure and income against budget;
- ensure the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities SORP 2015 and the ESFA guidance issued to academies;
- reviewing and authorising the award of an individual contract or purchase made by any individual Academies.

Attendance at meetings during the year was as follows:

Trustee/Senior Leadership Member	Meetings attended	Out of a possible
Mrs K Kirkham	7	8
Mrs M McKeeman	7	8
Mr D Watson, Director of Finance (to February 2017) Mrs K Mason, Director of Finance (from April 2017)	8	8
Mr J Keegan, Director of Estates	3	4
Mr S Evans, Director of Estates	5	8
Helping Hands Trust (represented by Dr M Dwan)	7	8

The Audit Committee is a sub-committee of the main board of trustees and its purpose is to monitor the integrity of the financial statements of the Trust, including its annual and interim reports. The membership of this committee includes external independent members.

Adventure Learning Academy Trust

Governance Statement

for the year ended 31 August 2017

Attendance at meetings during the year was as follows:

Trustee/Independent Member	Meetings attended	Out of a possible
Mr D Chadwick	2	3
Mr N Charlesworth	4	4
Mr A Elson, Chairman	3	3

Review of Value for Money

As accounting officer the chief operating officer 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Improving educational outcomes of its students whilst operating within the financial constraints of the budget.
- Increasing collaboration between its academies, both educationally and financially, generating savings by negotiating trust wide contracts.

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 the trusts 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 Adventure Learning Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Adventure Learning Academy Trust

Governance Statement

for the year ended 31 August 2017

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The board of trustees have, in line with section 2.4.4 of the Academies Financial Handbook 2016, agreed a programme of work to address the key financial risks present within the Academy Trust.

The Board of Trustees has considered the need for a specific internal audit function and have appointed Jackson Stephen LLP during the year to 31 August 2017 following a tender process.

The internal auditor's role includes giving advice on financial matters and providing a range of checks on the Trust's financial systems. In particular the checks carried out during the period were:

Roles and responsibilities

This included a review of the funding agreements and statutory compliance, governance and board structure, responsibilities and consideration of regularity, propriety and value for money.

Main financial and governance requirements

This included reviewing budgeting, cash and financial management and internal scrutiny.

Adventure Learning Academy Trust

Governance Statement

for the year ended 31 August 2017

Delegated authorities

This included a review of proper and regular use of public funds, review of specific transactions (such as novel and contentious transactions, gifts, write offs etc.) connected parties, and the management of GAG. One area was considered medium, due to the sensitive nature of related party transactions and previous scrutiny of such transactions.

Review of Effectiveness

As accounting officer the Chief Operating Officer 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 peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 18 December 2017 and signed on its behalf by:

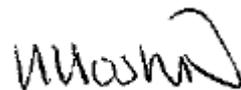
Mr D Hare

Trustee



Mrs H Hoskin

Accounting Officer



Adventure Learning Academy Trust

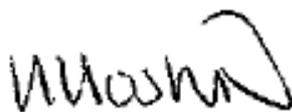
Statement on Regularity, Propriety and Compliance

for the year ended 31 August 2017

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

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

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



Mrs H Hoskin

Accounting Officer

18 December 2017

Adventure Learning Academy Trust

Statement of Trustees' Responsibilities

for the year ended 31 August 2017

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

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

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

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

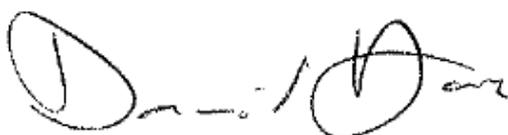
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

Approved by order of the members of the board of trustees on 18 December 2017 and signed on its behalf by:

Mr D Hare

Trustee



Adventure Learning Academy Trust

Independent Auditor's report to the Members of Adventure Learning Academy Trust

Opinion

We have audited the financial statements of Adventure Learning Academies Trust ("the Academy") for the year ended 31 August 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the Education & Skills Funding Agency ("the ESFA").

In our opinion, the financial statements:

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

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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Adventure Learning Academy Trust

Independent Auditor's report to the Members of Adventure Learning Academy Trust

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Academy'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'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 and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adventure Learning Academy Trust

Independent Auditor's report to the Members of Adventure Learning Academy Trust

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Hamid Ghafoor (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom

20 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Adventure Learning Academy Trust

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

In accordance with the terms of our engagement letter dated 17 October 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 Adventure Learning Academy Trust during the year ended 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Adventure Learning Academy Trust's funding agreement with the Secretary of State for Education dated 29 May 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

Adventure Learning Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Adventure Learning Academy Trust and the Education and Skills Funding Agency (*continued*)

Conclusion

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

BDO LLP

BDO LLP
Reporting Accountant
Manchester
United Kingdom

20 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Adventure Learning Academy Trust

Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 August 2017

	Note	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000
Income from:						
Donations and capital grants	2	-	12	527	539	382
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	7,781	-	7,781	7,803
Other trading activities	4	10	-	-	10	12
Investments	5	1	-	-	1	1
Total		11	7,793	527	8,331	8,198
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	6	-	7,875	566	8,441	8,508
Total		-	7,875	566	8,441	8,508
Net income/(expenditure)		11	(82)	(39)	(110)	(310)
Transfers between funds	18	(67)	(101)	168	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18, 26	-	1,486	-	1,486	(1,434)
Net movement in funds		(56)	1,303	129	1,376	(1,744)

Adventure Learning Academy Trust

Statement of Financial Activities for the year 31 August 2017 (*continued*)

	Unrestricted funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
Note	£'000	£'000	£'000	£'000	£'000
Reconciliation of funds					
Net movement in funds brought forward	(56)	1,303	129	1,376	(1,744)
Total funds brought forward at 1 September 2016	18 135	(3,040)	19,750	16,845	18,589
Total funds carried forward at 31 August 2017	18 79	(1,737)	19,879	18,221	16,845

Adventure Learning Academy Trust

Balance Sheet

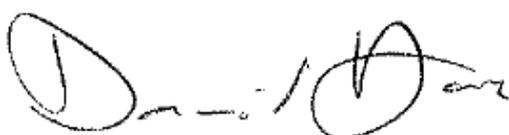
as at 31 August 2017

Company Number: 08614382

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	12		20,172		20,109
Investments	13		-		-
			20,172		20,109
Current assets					
Stocks	14	-		4	
Debtors	15	552		724	
Cash at bank and in hand		292		72	
		844		800	
Liabilities					
Creditors: amounts falling due within one year	16	(813)		(724)	
			31		76
Net current assets					
			20,203		20,185
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	17		(245)		(300)
			19,958		19,885
Net assets excluding pension liability					
Defined benefit pension scheme liability	26		(1,737)		(3,040)
			18,221		16,845
Total net assets					
Funds of the academy trust					
Restricted funds					
Fixed asset fund	18	19,879		19,750	
Restricted income fund	18	-		-	
Pension reserve	18	(1,737)		(3,040)	
		18,142		16,710	
Total restricted funds					
Unrestricted income funds	18		79		135
			18,221		16,845
Total funds					

The financial statements on pages 26 to 54 were approved by the trustees, and authorised for issue on 18 December 2017 and are signed on their behalf by:

Mr D Hare
Trustee



Adventure Learning Academy Trust

Statement of Cash Flows for the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	321	(139)
Cash flows from investing activities	22	(101)	(10)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		220	(149)
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2016		72	221
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2017	23	292	72
		<hr/>	<hr/>

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017

1. Statement of Accounting Policies

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

Basis of Preparation

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

The Adventure Learning Academy Trust meets the definition of a public benefit entity under FRS102.

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going Concern

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

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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**

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **Donated fixed assets (excluding Transfers on conversion into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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 allocated on the portion of the asset's use.

- 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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Long leasehold buildings 50 years
- Furniture and equipment 4 years
- Computer equipment 3 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.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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.

Provisions

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

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

Leased Assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, Adventure Learning Education Services Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost valuation exceeds the benefit derived.

Stock

Unsold uniform, fuel and catering stocks are valued at the lower of cost or net realisable value.

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 gain received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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.

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 Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, 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 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 gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

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

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2013 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.

- Tangible fixed assets (see note 12)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

2. Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
In-kind donations	-	-	-	89
Other donations	-	12	12	25
Capital grants	-	527	527	268
	<u>-</u>	<u>539</u>	<u>539</u>	<u>382</u>
<i>2016 total</i>	<u>-</u>	<u>382</u>		

In the prior year, Helping Hand Trust Limited made an in-kind donation of £89k relating to the delivery of a managed estates services for the trust estate and the provision of a data management platform at below and nil cost respectively. No such donation was made in the accounts to 31 August 2017.

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,836	6,836	7,061
Other DfE/ESFA Grants	-	50	50	48
	<u>-</u>	<u>6,886</u>	<u>6,886</u>	<u>7,109</u>
Other government grants				
Local Authority Grants	-	36	36	36
Special educational projects	-	60	60	43
	<u>-</u>	<u>96</u>	<u>96</u>	<u>79</u>
Other income from the academy trust's educational operations				
	<u>-</u>	<u>799</u>	<u>799</u>	<u>615</u>
	<u>-</u>	<u>799</u>	<u>799</u>	<u>615</u>
	<u>-</u>	<u>7,781</u>	<u>7,781</u>	<u>7,803</u>
<i>2016 total</i>	<u>-</u>	<u>7,803</u>		

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

4. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	10	-	10	12
	<u>10</u>	<u>-</u>	<u>10</u>	<u>12</u>
<i>2016 total</i>	<u>12</u>	<u>-</u>		

5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>2016 total</i>	<u>1</u>	<u>-</u>		

6. Expenditure

	Staff Costs £'000	Non-Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations:					
• Direct costs	4,784	498	831	6,113	5,285
• Allocated support costs	453	928	947	2,328	3,223
	<u>5,237</u>	<u>1,426</u>	<u>1,778</u>	<u>8,441</u>	<u>8,508</u>

Net income/(expenditure) for the period includes:

	Total 2017 £'000	Total 2016 £'000
Operating leases: Other leases	36	147
Depreciation	566	561
Fees payable to auditor for:		
• Audit	25	27
	<u>627</u>	<u>735</u>

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

6. Expenditure (continued)

Included within expenditure are the following transactions:

	Individual items above £5,000		
	Total £	Amount £	Reason
Statutory Payment	10,000	10,000	Severance

7. Charitable Activities

	Total 2017	Total 2016
	£'000	£'000
Direct costs – educational operations	6,113	5,285
Support costs – educational operations	2,328	3,223
	8,441	8,508
	8,441	8,508

Analysis of support costs:	Total 2017	Total 2016
	£'000	£'000
Support staff costs	453	718
Depreciation	67	561
Technology costs	391	330
Premises costs	928	1,268
Other support costs	464	319
Governance costs	25	27
	2,328	3,223
Total support costs	2,328	3,223

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

8. Staff

a. Staff costs

	2017 £'000	2016 £'000
Staff costs during the period were:		
Wages and salaries	3,933	3,994
Social security costs	623	487
Pension costs	394	570
Apprenticeship levy	3	-
	4,953	5,051
Supply staff costs	173	140
Staff restructuring costs	10	195
Secondment costs	101	107
	5,237	5,493
 Staff restructuring costs comprise:		
Redundancy payments	-	150
Severance payments	10	45
	10	195

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil. (2016: £13,000). Individually, the payments were: 2017: £Nil (2016: £7,000, £2,000 and £4,000).

c. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	2017 No.	2016 No.
Teachers	70	61
Administrations and support	102	70
Management	2	11
	174	142

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (*continued*)

8. Staff (*continued*)

d. Higher paid staff

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

	2017	2016
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £93k (2016: £26k).

9. Related party transactions – Trustees' remuneration and expenses

During the year ended 31 August 2017, £nil remuneration was paid to the trustees and travel and subsistence expenses totalling £Nil (2016: £250) was paid to no (2016: 1) trustee.

Other related party transactions involving the trustees are set out in note 27.

10. Trustees and officer 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 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.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

11. Central Services

Adventure Learning's head office is charged to Academies on a flat % of recurrent GAG income and includes personnel working in the following areas; Governance services, Educational management and support services, Human Resources, Financial services, Communications and Marketing, Community Services and Executive leadership. Also included within the % is a range of fixed costs which are absorbed at head office, such as audit and legal costs.

	2017 £'000	2016 £'000
Altarnun Primary School	6	17
Fowey River Academy	281	280
Gulval School	30	54
Liskeard Hillfort Primary School	119	117
Tywardreath Primary School	88	90
	524	558
Total	524	558

12. Tangible Fixed Assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 September 2016	20,548	273	480	21,301
Additions	485	2	142	629
Disposals	-	-	-	-
	21,033	275	622	21,930
At 31 August 2017	21,033	275	622	21,930
Depreciation				
At 1 September 2016	700	138	354	1,192
Charged in year	346	68	152	566
Disposals	-	-	-	-
	1,046	206	506	1,758
At 31 August 2017	1,046	206	506	1,758
Net book values				
At 31 August 2017	19,987	69	116	20,172
At 31 August 2016	19,848	135	126	20,109

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

13. Fixed Asset Investments

	Investments in subsidiary companies £'000
Cost or valuation	
At 31 August 2016 & 31 August 2017	-
	<hr style="border-top: 1px solid black;"/>
Net book value	
At 31 August 2016 & 31 August 2017	-
	<hr style="border-top: 3px double black;"/>

Subsidiary undertaking

The following was a subsidiary undertaking of the company.

Name	Class of shares	Holding
Adventure Learning Education Services Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 August 2017 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Company	Aggregate of share capital and reserves £'000	Profit/(loss) £'000
Adventure Learning Education Services Limited	-	-
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

14. Stock

	2017 £'000	2016 £'000
Catering	-	2
Uniforms	-	2
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	-	4
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

15. Debtors

	2017 £'000	2016 £'000
Trade debtors	194	330
VAT recoverable	115	72
Other debtors	52	59
Prepayments and accrued income	191	263
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	552	724
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

16. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	368	213
Other taxation and social security	85	90
Other creditors	205	229
Accruals and deferred income	155	192
	<u>813</u>	<u>724</u>
Deferred income	2017	2016
	£'000	£'000
Deferred income at 1 September 2016	87	151
Released from previous years	(87)	(151)
Resources deferred in the period	104	87
	<u>104</u>	<u>87</u>
Deferred income at 31 August 2017	<u>104</u>	<u>87</u>

Deferred income is income received in the reported financial period which is intended for use within a future period. The deferred income balance at the end of the financial year was due to the academy trust holding funds received in advance for non-domestic rate bills, UIFSM funding and trips which had not yet gone ahead.

17. Creditors: amounts falling due after more than one year

	2017	2016
	£'000	£'000
Other creditors	245	300
	<u>245</u>	<u>300</u>

Included within other creditors is an interest-free loan of £293k from the Education Funding Agency which is to be repaid in semi-annual instalments over 8 years. £48k is due within 1 year.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

18. Funds

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,836	(6,735)	(101)	-
Other DfE/ESFA grants	-	50	(50)	-	-
Pension Reserve	(3,040)	-	(183)	1,486	(1,737)
Other Grants	-	96	(96)	-	-
Donations	-	-	-	-	-
Other income	-	811	(811)	-	-
	(3,040)	7,793	(7,875)	1,385	(1,737)
Restricted fixed asset funds					
Transfer on conversion	18,701	-	(566)	-	18,135
DfE/ESFA grants	1,049	527	-	168	1,744
	19,750	527	(566)	168	19,879
Total restricted funds	16,710	8,320	(8,441)	1,553	18,142
Unrestricted funds					
Unrestricted funds	135	11	-	(67)	79
Total unrestricted funds	135	11	-	(67)	79
Total funds	16,845	8,331	(8,441)	1,486	18,221

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

- General Annual Grant (GAG) must be used for the normal running costs of the Trust's academies.
- Other restricted funds comprise funds received from the DfE, ESFA, Local Authorities and other government bodies to reimburse expenditure by Adventure Learning Academy Trust and its academies in their ordinary operational activities.
- 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.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

18. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Balance at 31 August 2017 £'000	Balance at 31 August 2016 £'000
Altarnun Primary School	1	69
Fowey River Academy	(191)	(281)
Gulval School	1	67
Liskeard Hillfort Primary School	2	31
Tywardreath Primary School	191	249
Central services	75	-
Total before fixed assets and pension reserve	79	135
Restricted fixed asset fund	19,879	19,750
Pension Reserve	(1,737)	(3,040)
	18,221	16,845

Fowey River Academy is carrying a net deficit of £191k on their portion of the fund. The net deficit relates to one-off absorption of redundancy costs. The trust is currently making the academy fit for purpose to return the academy to a surplus and the academy is making year on year contributions to this effect. The Academy has reduced the deficit this year and is budgeted to reduce it further next year.

Total cost analysis by Academy

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

	Teaching and Education al Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excl Dep'n) £'000	Total 2017 £'000	Total 2016 £'000
Altarnun Primary School	268	12	30	120	430	359
Fowey River Academy	1,980	185	80	1,036	3,281	3,789
Gulval School	474	45	50	203	772	641
Liskeard Hillfort Primary School	1,070	47	85	383	1,585	1,515
Tywardreath Primary School	798	46	50	314	1,208	1,246
Adv. Learning Academy Trust	193	116	-	290	599	397
Total	4,783	451	295	2,346	7,875	7,947

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

19. Analysis of net assets between funds

Fund balances at 31 August 2017 are presented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	20,172	20,172
Current assets	49	795	-	844
Current liabilities	-	(765)	(48)	(813)
Non current liabilities	-	-	(245)	(245)
Pension scheme liability	-	(1,737)	-	(1,737)
Total net assets	49	(1,707)	19,879	18,221

20. Commitments under operating leases

Operating leases

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

	2017 £'000	2016 £'000
Other		
Amounts due within one year	39	42
Amounts due between one and five years	75	108
Amounts due after five years	-	-
	114	150

21. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2017 £'000	2016 £'000
Net income/(expenditure) for the reporting period (SoFA)	(110)	(310)
<i>Adjusted for:</i>		
Capital grants from DfE and other capital income	(527)	(343)
Interest receivable (note 5)	(1)	-
Depreciation (note 12)	566	561
Defined benefit pension scheme cost less contributions payable (note 26)	118	25
Defined benefit pension scheme finance cost (note 26)	65	58
(Increase)/decrease in stocks	4	-
(Increase)/decrease in debtors	172	(26)
Increase/(decrease) in creditors	34	(104)
Net cash provided by/(used in) Operating Activities	321	(139)

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

22. Cash flows from investing activities

	2017 £'000	2016 £'000
Interest receivable	1	-
Purchase of tangible fixed assets	(629)	(353)
Capital grants from DfE/ESFA	527	268
Salix loan	-	75
Net cash outflow from capital expenditure and financial investment	(101)	(10)

23. Analysis of cash

	At 1 September 2016 £'000	Cashflow £'000	At 31 August 2017 £'000
Cash in hand and at bank	72	220	292
Total cash outflow and cash equivalents	72	220	292

24. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any assets for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the ESFA the same proportion of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined with reference to

- the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy and;
- the extent to which expenditure incurred providing those assets was met by payments by the Secretary of State under the Funding Agreement.

25. Members' liabilities

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

26. Pension 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 Cornwall Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £53k were payable to the schemes at 31 August 2017 (2016: £76k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

Adventure Learning Academy Trust

Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

26. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to TPS in the year amounted to £284k (2016: £338k).

A copy of the valuation report and supporting documentation is on the Teacher's Pension 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 contribution made for the year ended 31 August 2017 was £256k (2016: £250k), of which employer's contributions totalled £211k (2016: £262k) and employees' contributions totalled £45k (2016: £68k). The estimated contribution rates for future years are £189k for employers and between 5.5 - 12.5 per cent for employees.

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

An annual fixed employer contributions of £40k has been paid in year as a contribution towards clearing the pension deficit.

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.50%	4.10%
Rate of increase for pensions in payment / inflation	2.40%	2.10%
Discount rate for scheme liabilities	2.50%	2.10%
Inflation assumption (CPI)	2.10%	2.10%
Commutation of pensions to lump sums (pre Apr 08/post Apr 08)	40%/ 70%	40%/ 70%

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.1	22.2
Females	24.5	24.4
<i>Retiring in 20 years</i>		
Males	24.0	24.4
Females	26.4	26.8

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were;

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£'000	£'000
Equity instruments	1,297	1,371
Debt instruments	1,186	1,229
Property	193	200
Cash	83	57
	2,759	2,857
Present value of scheme liabilities		
• Funded	(4,496)	(5,897)
	(1,737)	(3,040)
Surplus/(deficit) in the scheme	(1,737)	(3,040)

The actual return on scheme assets was £391k (2016: £167k).

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

26. Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017	2016
	£'000	£'000
Current service cost (net of employee contributions)	329	229
Net interest cost	65	58
	<hr/>	<hr/>
Total operating charge	394	287
	<hr/>	<hr/>

Changes in the present value of defined benefit obligation were as follows:

	2017	2016
	£'000	£'000
At 1 September	5,897	3,869
Current service cost	329	228
Past service costs	-	1
Interest cost	127	152
Employee contributions	45	46
Benefits paid	(25)	-
Actuarial (gain)/loss	(1,877)	1,601
Business combinations	-	-
	<hr/>	<hr/>
At 31 August	4,496	5,897
	<hr/>	<hr/>

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017	2016
	£'000	£'000
At 1 September	2,857	2,346
Interest income	62	94
Actuarial gain/(loss)	(391)	167
Employer contributions	211	204
Employee contributions	45	46
Benefits made	(25)	-
Business combinations	-	-
	<hr/>	<hr/>
At 31 August	2,759	2,857

27. Related party transactions

When this trust was founded the sponsors set out their intention to provide support, both financial and resource, to assist the trust during the first period of intensive growth. The board of trustees wish to express their gratitude for this support which has often, sometimes deliberately, been misunderstood

The board of trustees is drawn from local public and private sector organisations, these individuals are either executive officers of the trust or are volunteers who wish to make a difference. In making a difference trustees will often offer their services or support. In making this offer they are not seeking to make a profit but they are hoping to enhance the trust's ability to make a difference.

All transactions involving such individuals or their connected organisations are conducted at cost, more often less than cost, and in accordance with the Academies financial regulations and normal procurement procedures.

During the year, the trust has again benefitted from the financial and resource support provided by Dr Michael Dwan, the principal benefactor of both Helping Hands Trust Limited and the chair of Adventure Learning Schools.

Dr Dwan represents the founding sponsors of the trust and has, from the establishment of the trust, ensured that the development and operation phases are fully funded and that the trust is, when necessary, provided with service at cost or less, in full compliance with the Academies Financial Handbook.

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

27. Related party transactions (continued)

Dr Dwan has provided this financial support by way of a personally funded bursary to Helping Hands Trust Limited and by the provision of cost or less services from North Consulting Limited, Blue Support Services Limited, The Knowledge Network (UK) Limited and North & Partners Technical Limited which are owned or controlled by Dr Dwan.

North Consulting Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £Nil (2016: £Nil) due to this company. During the year, cost or less purchases were made from this company of £7k (2016: £61k) and all related to recharges from the company.

Blue Support Services Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £Nil (2016: £10k) due to this company. During the year, cost or less purchases were made from this company of £Nil (2016: £257k) which all related to cost of staff TUPE'd from the trust/other recharges and sales were made to this company of £Nil (2016: £12k).

The Knowledge Network (UK) Limited is a company in which Dr Dwan is a director. Included within creditors is a balance of £Nil (2016: £nil) due to this company. During the year, cost or less purchases were made from this company of £Nil (2016: £35k), £Nil (2016: £Nil) relate to services provided to the trust and £Nil (2016: £35k) recharges.

During the financial year the trust made net aggregated cost or less purchases from the above named companies of £7k (2016: £341k) which can be analysed as £Nil (2016: £341k) cost of staff TUPE'd from the trust/other recharges and £7k (2016: £Nil) services provided to the trust.

The costs attributed to TUPE and other associated recharges are not discretionary and are fixed by law in the case of TUPE and the other recharges relate to elements such as utilities, which are also not discretionary. To be clear, no charge has been made for any additional services provided by any party connected to Dr Dwan.

The trust also declared in-kind donations provided by parties connected to Dr Dwan of £Nil (2016: £89k) relating to the delivery of a managed estate service for the trust estate and the provision of a data management platform at below and nil cost respectively.

This means that Dr Dwan has indirectly provided financial and resource support as intended of c. £500k during the establishment period.

Bright Tribe Trust is a charity in which Helping Hands Trust, Adventure Learning Schools, S Moore and D Hare are trustees. Adventure Learning Academy Trust works closely with Bright Tribe Trust, sharing appropriate resources and supply chain services. Included within creditors is a balance of £21k (2016: £Nil) due to this company. During the year revenue purchases were made from this company of £30k (2016: £Nil).

Adventure Learning Academy Trust

Notes forming part of the financial statements

for the year ended 31 August 2017 (continued)

27. Related party transactions (continued)

Bright Tribe Education Services Limited is a wholly owned subsidiary of Bright Tribe Trust and a company in which K Kirkham and A Sarginson are directors. Included within debtors is a balance of £121k (2016: £318k) due from this company. During the year purchases were made from this company of £274k (2016: £249k).

Bright Tribe (FM) Limited is a wholly owned subsidiary of Bright Tribe Trust and a company in which K Kirkham and A Sarginson are directors. Included within creditors is a balance of £136k (2016: £49k) due to this company. During the year purchases were made from this company of £731k (2016: £561k).

Mounts Bay Academy is a company in which S Davey is a director. Included within creditors is a balance of £Nil (2016: £8k) due to this company. During the year purchases were made from this company of £126k (2016: £125k).

Broomstile Consultants Limited is a company in which A Elson is a director. Included within creditors is a balance of £Nil (2016: £Nil) due to this company. During the year purchases were made from this company of £Nil (2016: £6k).

Commando Joe's is a company in which T Flanagan is a director. Included within creditors is a balance of £Nil (2016: £Nil) due to this company. During the year purchases were made from this company of £11k (2016: £33k).

Helping Hands Trust Limited, Blue Support Services Limited, The Knowledge Network (UK) Limited and North Consulting Limited are linked by way of a common sponsor or founder. This link means that services are provided at cost and in most cases substantially less than cost with the financial support of the common sponsor or founder.