

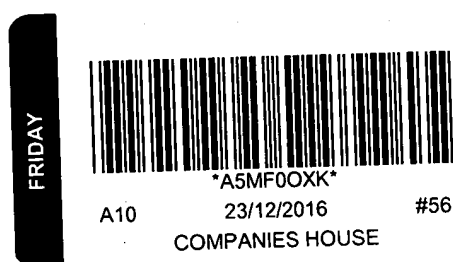
Company Registration No. 08123168 (England and Wales)

ALBANY LEARNING TRUST

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016



ALBANY LEARNING TRUST

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ALBANY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	H J Brown J Connor S Partington
Governors	H J Brown (Chair of Governing Body) R Hodgkins (Vice Chair of Governing Body) J Connor M Wilson M McGhee D Turner A Gibbs M Parkinson (Resigned 8 March 2016) A Wiles A Yates S Partington L Dickinson (Resigned 3 March 2016) P J Mayland (Head Teacher and Accounting Officer) B Baybutt D Thoburn Mrs L Clarkson
Senior management team	
- Head Teacher	P Mayland
- Deputy Head Teacher	K Lowe
- Deputy Head Teacher	I Woods
- Assistant Head Teacher	P Crowther
- Assistant Head Teacher	J McNaboe
- Head of Maths	P Cunliffe
- Head of English	K Billington
Company secretary	C Shaw
Company registration number	08123168 (England and Wales)
Company name	Albany Learning Trust
Registered office	Bolton Road Chorley PR7 3AY
Independent auditor	Moore and Smalley LLP Richard House 9 Winckley Square Preston PR1 3HP

ALBANY LEARNING TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016.

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

Structure, governance and management

Constitution

Albany Science College converted to Albany Academy ("The Academy") on 1 August 2012. The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

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

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

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

Members' liability

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

Governors' indemnities

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

Method of recruitment and appointment or election of governors

The governors are appointed by the following:

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

Policies and procedures adopted for the induction and training of governors

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

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

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

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

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

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

The Senior Leadership Team comprised:

- Mr P Mayland (Head Teacher)
- Mrs K Lowe (Deputy Head Teacher)
- Mr I Woods (Deputy Head Teacher)
- Mr P Crowther (Assistant Head Teacher)
- Mr J McNaboe (Assistant Head Teacher)
- Mr A Coxon (Senior Leader)
- Mrs P Cunliffe (Head of Maths)
- Miss K Billington (Head of English)

Arrangements for setting pay and remuneration of key management personnel

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

Related parties and other connected charities and organisations

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

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

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

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

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

Objectives, strategies and activities

The main objectives for the year were:

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

These were achieved by developing a culture of continual improvement in which if we are to do something we will do it well. Academic outcomes have improved again and are improving within all years. New assessment systems have been introduced and all staff have been trained to deliver the new curriculum which is being phased in between 2015 and 2017. Collaboration at all levels within the academy has enhanced leadership and enabled best practice to be shared rapidly and effectively. Externally, our staff have supported another school to improve their behaviour systems, been approached to sponsor a school, researched new maths teaching methods and host networks in all curriculum areas.

Public benefit

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

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

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

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Achievement at Albany Academy is very good. Pupil progress in 2015 and again in 2016 places the school in the top 10 Lancashire schools for pupil progress. Attainment reached a 3 year high in 2016, following continuing improvements following recent changes to national accountability measures in years 2014 and 2015. The pupil premium gap has been reduced in the past year and English, a key subject for improvement identified the latest Ofsted inspection report (2014), achieved outstanding results in 2016. The Education Endowment Foundation recognise that all students make good progress.

The exceptional progress made by pupils during their time with us is because of the quality of teaching and learning they receive. The percentage of pupils making 3 levels of progress in English and maths is consistently good and progress in other subjects is excellent. The percentage of pupils making greater than expected progress is also high with 49% of pupils making 4 or more levels of progress in English and 41% in maths in 2015.

The school is increasingly popular and has been heavily oversubscribed in each of the past two years, with over 400 applicants for 135 places.

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

We focus on continual improvement and key objectives for next year are that all subjects perform as well as the best and that we improve our monitoring of post-16 provision for our students after they have left. A small minority of students have low attendance and where this persists into Year 11, students do not perform as well as their peers.

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

GCSE Subjects	A*	A	B	C	D	E	F	G	%A-C
Art	2	7	9	3	0	0	0	0	100
Photography	3	3	7	5	0	0	0	0	100
Drama	1	2	5	9	2	1	0	0	85
Music	0	0	2	4	2	3	1	0	50
Biology	0	4	13	8	0	0	0	0	100
Chemistry	1	10	8	7	0	0	0	0	100
Physics	1	10	12	3	0	0	0	0	100
Core Science	0	1	7	20	22	10	7	1	41
Additional Science	0	1	12	22	16	11	4	2	51
RM	0	1	2	5	1	0	0	1	80
French	0	3	12	7	5	4	1	0	69
Further Maths	1	1	2	3	0	0	0	0	100
Geography	0	5	7	10	6	6	4	0	56
History	1	12	9	7	2	1	0	0	91
Maths	5	12	28	20	21	1	3	2	68
PE	2	3	7	6	0	0	0	0	100
English Language	1	16	32	27	15	2	2	1	78
English Literature	0	14	26	31	19	5	2	0	73
Child Development	0	0	1	5	1	0	3	0	60
RE	3	5	6	3	3	2	1	0	74
Catering	3	9	9	5	4	4	0	0	76
Computer Science	1	0	2	5	2	1	2	1	57
Statistics	0	4	16	39	16	9	5	3	63
Art	2	7	9	3	0	0	0	0	100

Progress 8	0.29
Attainment 8	5.1

In addition to the detailed performance data outlined above the most recent Ofsted inspection graded Albany as being 'Good with outstanding features'.

Going concern

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

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The Academy's total incoming resources during the year were £3,681,339 (2015: £3,639,151). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the year was £3,515,350 (2015: £3,380,633); further details are provided in note 5 to the accounts.

Total outgoing resources for the year were £3,845,416 (2015: £3,760,895), the majority of which related to the direct provision of educational operations of £3,840,327 (2015: £3,610,001). The excess of expenditure over income was £164,077 (2015: £121,744).

At the year end the Academy's total reserves were £2,646,102 (2015: £3,211,179), including unrestricted funds of £21,813 (2015: £96,505) and restricted funds of £2,624,289 (2015: £3,114,674). Restricted funds include fixed assets of £3,656,083 (2015: £3,701,028), less the LGPS pensions scheme deficit of £1,037,000 (2015: £598,000) and the surplus on general restricted funds of £5,206 (2015: £11,646). Included within the general restricted fund balance is £45,130 (2015: 67,695) still outstanding in relation to the deficit inherited on conversion, as detailed in note 15 of the accounts. The remaining balances on restricted funds relate to funding received to date which is due to be spent in future years in accordance with the terms of funding. Further detail is provided in note 15.

At 31 August 2016 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

On conversion the Academy inherited a deficit of £657,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit has increased to £1,037,000 by 31 August 2016, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Academy does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The Academy's financial objectives are:

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

These objectives were achieved in the financial year ended 31 August 2016.

Reserves policy

Restricted GAG reserves:

The governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. At 31 August 2016 the Academy held GAG reserves of £nil (2015: £15,875).

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the Academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. At 31 August 2016 the level of unrestricted reserves held was £21,813 (2015: £96,505).

It is the governors' policy to aim to hold approximately one months' educational expenditure in general reserves, to provide an additional cushion to cover delays between spending and the receipt of income. At the year end the Academy held general reserves, including both GAG and unrestricted reserves, of £21,813.

ALBANY LEARNING TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Investment policy and powers

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

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

Principal risks and uncertainties

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

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

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

Plans for future periods

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

Auditor

In so far as the governors are aware:

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

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 13/12/16 and signed on its behalf by:



H J Brown
Chair of Governing Body

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Albany Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

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

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

Governors	Meetings attended	Out of possible
H J Brown (Chair of Governing Body)	4	4
R Hodgkins (Vice Chair of Governing Body)	4	4
J Connor	4	4
M Wilson	3	4
M McGhee	2	4
D Turner	3	4
A Gibbs	4	4
M Parkinson (Resigned 8 March 2016)	1	2
A Wiles	3	4
A Yates	4	4
S Partington	3	4
L Dickinson (Resigned 3 March 2016)	1	2
P J Mayland (Head Teacher and Accounting Officer)	4	4
B Baybutt	4	4
D Thoburn	4	4

There have been no key changes in the composition of the board and no particular challenges have arisen for the board during the year. The governing body have undertaken a skills analysis and following the end of term of governors will recruit to complement the skills gaps left by leaving governors. In addition the estates committee has been subsumed into the finance and buildings committee and a link governor has been appointed to focus on health and safety.

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
H J Brown (Chair of Governing Body)	4	4
R Hodgkins (Vice Chair of Governing Body) (Vice Chair of Finance)	4	4
P Mayland (Headteacher and Accounting Officer)	4	4
J Connor	3	4
D Turner	3	4
A Gibbs	4	4
A Wiles (Chair of Finance)	3	4
L Dickinson	1	2
A Yates	4	4
M Parkinson	1	2

Review of value for money

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

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

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

1. Ensuring that achievement of pupils has improved across the majority of key areas from the previous year, with 62% of all students achieving 5 A*-C including English and maths, up from 59% in 2015. 25% of all pupils achieved three or more A* - A grades and the overall value added score was again 1024, which places the school in the 16th percentile of schools nationally and matches the performance in 2014 which placed the school as the top non-selective school for progress in Lancashire. The new progress 8 score of 0.29 is significantly positive and places the school in the top 30% of schools nationally.
2. Overseeing successful capital bids to enable improvement of the teaching and learning environment, specifically this year two science laboratories were refurbished as was the sports hall, in part through sound financial management and in part by successful application for central government and charitable bodies.
3. Continuing to narrow the pupil premium gap, especially in English where most groups of pupils have narrowed the in school gap and the gap with national others from 2014 to 2015. The Education Endowment Foundation, which reviews progress of pupil premium students, also recognises there was strong performance for all pupils during this period.

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Albany Learning Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

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

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

The Business Manager left in February 2016 and following a strategic review of financial and human resource systems and processes the school decided to appoint a dedicated Finance Manager. Prior to the appointment of the new Finance Manager in July 2016, the school took support and advice from Capita and Moore and Smalley to review procedures and ensure internal processes were rigorous. During the interim period mechanisms were put in place to ensure smooth financial operations within the school. The Headteacher and governors were however aware that there were delays in the processing of transactions and month end procedures. This meant that the Board did not have access to reliable management information for part of the year.

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

ALBANY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

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

- a full review of all systems and procedures
- the appointment of a designated Finance Manager
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 13/12/16 and signed on its behalf by:


H J Brown
Chair of Governing Body


P J Mayland
Head Teacher and Accounting Officer

ALBANY LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

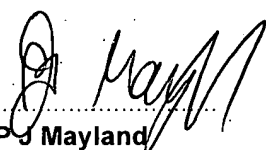
As accounting officer of Albany Learning Trust I have considered my responsibility to notify the Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust 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 2015.

I confirm that I and the Trust's governing body are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2015.

As more fully explained in the governance statement, during the year the school took strong strategic decisions to restructure our financial leadership. Following the departure from school of the previous Business Manager external support was received from Capita and Moore and Smalley and best practice procedures were adopted for day to day and strategic management. During the year we recognised that month end reconciliation procedures were omitted and there had been some misposting of income and expenditure.

Following the appointment of a dedicated Finance Manager the finance system was brought fully up to date at 31st August 2016 and all closing balances were satisfactorily reconciled.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered as a result of the above. If any instances are identified after the date of this statement, these will be notified to the governing body and EFA.



P. Mayland

Accounting Officer

13/12/16

ALBANY LEARNING TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for Albany Learning Trust and are also the directors of Albany Learning Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the governors 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 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the governing body on 13/12/16 and signed on its behalf by:



H J Brown
Chair of Governing Body

ALBANY LEARNING TRUST

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

We have audited the accounts of Albany Learning Trust for the year ended 31 August 2016 set out on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of Albany Learning Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

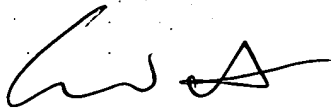
ALBANY LEARNING TRUST

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christine Wilson (Senior Statutory Auditor)
for and on behalf of Moore and Smalley LLP
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

Dated: 16/12/16...

ALBANY LEARNING TRUST

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Albany Learning Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Albany Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

ALBANY LEARNING TRUST

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As more fully explained in the governance statement, during the period, agreed financial procedures were not complied with in full. As a result, month end reconciliation procedures were delayed and access to reliable management information was limited for part of the year.

Governors were fully informed of the issues and steps which were being taken to rectify them.

The finance system was brought fully up to date at 31 August 2016 and all closing balances were satisfactorily reconciled. There was no evidence of any material misstatement arising due to fraud or error.



Christine Wilson
Reporting Accountant
Moore and Smalley LLP

Dated: 16/12/16

ALBANY LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	805	134,730	-	135,535	230,387
Charitable activities:						
- Funding for educational operations	3	122,487	3,392,863	-	3,515,350	3,380,633
Other trading activities	4	30,294	-	-	30,294	25,958
Investments	5	160	-	-	160	2,173
Total income and endowments		<u>153,746</u>	<u>3,527,593</u>	<u>-</u>	<u>3,681,339</u>	<u>3,639,151</u>
Expenditure on:						
Raising funds	7	5,089	-	-	5,089	3,543
Charitable activities:						
- Educational operations	6	149,264	3,582,322	108,741	3,840,327	3,757,352
Total expenditure	7	<u>154,353</u>	<u>3,582,322</u>	<u>108,741</u>	<u>3,845,416</u>	<u>3,760,895</u>
Net income/(expenditure)		(607)	(54,729)	(108,741)	(164,077)	(121,744)
Transfers between funds		(74,085)	10,289	63,796	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(401,000)	-	(401,000)	(25,000)
Net movement in funds		<u>(74,692)</u>	<u>(445,440)</u>	<u>(44,945)</u>	<u>(565,077)</u>	<u>(146,744)</u>
Reconciliation of funds						
Total funds brought forward		<u>96,505</u>	<u>(586,354)</u>	<u>3,701,028</u>	<u>3,211,179</u>	<u>3,357,923</u>
Total funds carried forward	15	<u>21,813</u>	<u>(1,031,794)</u>	<u>3,656,083</u>	<u>2,646,102</u>	<u>3,211,179</u>

ALBANY LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		3,656,083		3,701,028
Current assets					
Debtors	12	88,818		174,855	
Cash at bank and in hand		294,331		293,270	
		383,149		468,125	
Current liabilities					
Creditors: amounts falling due within one year	13	(333,565)		(314,844)	
Net current assets			49,584		153,281
Total assets less current liabilities			3,705,667		3,854,309
Creditors: amounts falling due after more than one year	14		(22,565)		(45,130)
Net assets excluding pension liability			3,683,102		3,809,179
Defined benefit pension liability	17		(1,037,000)		(598,000)
Net assets			2,646,102		3,211,179
Funds of the Trust:					
Restricted funds	15				
- Fixed asset funds			3,656,083		3,701,028
- Restricted income funds			5,206		11,646
- Pension reserve			(1,037,000)		(598,000)
Total restricted funds			2,624,289		3,114,674
Unrestricted income funds	15		21,813		96,505
Total funds			2,646,102		3,211,179

The accounts set out on pages 19 to 39 were approved by the governing body and authorised for issue on 13/12/16 and are signed on its behalf by:



H J Brown
Chair of Governing Body

Company Number 08123168

ALBANY LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash used in operating activities	18		(48,880)		(359,494)
Cash flows from investing activities					
Dividends, interest and rents from investments		160		2,173	
Capital grants from DfE and EFA		113,577		227,109	
Payments to acquire tangible fixed assets		(63,796)		(49,183)	
			49,941		180,099
Change in cash and cash equivalents in the reporting period			1,061		(179,395)
Cash and cash equivalents at 1 September 2015			293,270		472,665
Cash and cash equivalents at 31 August 2016			294,331		293,270

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

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

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

These accounts for the year ended 31 August 2016 are the first accounts of Albany Learning Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.

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 Trust's accounting policies.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Governance costs

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5-10 years

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

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

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

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.10 Fund accounting

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

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Present value of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 3 years is applied to computer equipment, 5-10 years for fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, impairment is recorded as an impairment loss.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy.

At the date of transition, the long leasehold land and buildings were measured at their fair value at 1 September 2014, which upon transition, has been interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	113,577	113,577	227,109
Other donations	805	21,153	21,958	3,278
	<u>805</u>	<u>134,730</u>	<u>135,535</u>	<u>230,387</u>

The income from donations and capital grants was £135,535 (2015: £230,387) of which £805 was unrestricted (2015: £975), £134,730 was restricted (2015: £2,303) and £- was restricted fixed assets (2015: £227,109).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	3,043,245	3,043,245	2,905,822
Other DfE / EFA grants	-	219,244	219,244	285,199
	-	3,262,489	3,262,489	3,191,021
Other government grants				
Local authority grants	-	51,952	51,952	32,042
Other funds				
Other incoming resources	122,487	78,422	200,909	157,570
Total funding	122,487	3,392,863	3,515,350	3,380,633

The income from funding for educational operations was £3,515,350 (2015: £3,380,633) of which £122,487 was unrestricted (2015: £101,894) and £3,392,863 was restricted (2015: £3,278,739).

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	25,971	-	25,971	23,028
Other income	4,323	-	4,323	2,930
	30,294	-	30,294	25,958

The income from other trading activities was £30,294 (2015: £25,958) of which £30,294 was unrestricted (2015: £25,958).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	160	-	160	2,173

The income from funding for investment income was £160 (2015: £2,173) of which £160 was unrestricted (2015: £2,173).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	25,947	2,536,529	2,562,476	2,504,667
Support costs - educational operations	123,317	1,154,534	1,277,851	1,252,685
	<u>149,264</u>	<u>3,691,063</u>	<u>3,840,327</u>	<u>3,757,352</u>

The expenditure on educational operations was £3,840,327 (2015: £3,757,352) of which £149,264 was unrestricted (2015: £96,668), £3,582,322 was restricted (2015: £3,573,685) and £108,741 was restricted fixed assets (2015: £86,999).

	2016 £	2015 £
Analysis of support costs		
Support staff costs	415,299	375,225
Depreciation and amortisation	89,531	72,048
Premises costs	415,830	446,670
Other support costs	342,147	309,692
Governance costs	15,044	49,050
	<u>1,277,851</u>	<u>1,252,685</u>

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	2,369,386	19,210	173,880	2,562,476	2,504,667
- Allocated support costs	415,299	379,543	483,009	1,277,851	1,252,685
	<u>2,784,685</u>	<u>398,753</u>	<u>656,889</u>	<u>3,840,327</u>	<u>3,757,352</u>
Other expenditure					
Raising funds	-	-	5,089	5,089	3,543
	<u>-</u>	<u>-</u>	<u>5,089</u>	<u>5,089</u>	<u>3,543</u>
Total expenditure	<u>2,784,685</u>	<u>398,753</u>	<u>661,978</u>	<u>3,845,416</u>	<u>3,760,895</u>

The expenditure on raising funds was £5,089 (2015: £3,543) of which £5,089 was unrestricted (2015: £3,543).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	8,690	8,450
- Other services	4,985	3,175
Operating lease rentals	68,182	57,875
Depreciation of tangible fixed assets	108,741	86,999

8 Staff costs

	2016 £	2015 £
Wages and salaries	2,172,673	2,149,647
Social security costs	185,147	163,417
Operating costs of defined benefit pension schemes	399,937	324,729
Staff costs	2,757,757	2,637,793
Supply staff costs	24,402	29,622
Staff restructuring costs	2,526	-
Total staff expenditure	2,784,685	2,667,415

Staff numbers

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

	2016 Number	2015 Number
Teachers	32	33
Administration and support	48	43
Management	7	7
	87	83

Higher paid staff

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

	2016 Number	2015 Number
£60,001 to £70,000	2	2
£70,001 to £80,000	1	-
£90,001 to £100,000	-	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for this member of staff amounted to £32,177 (2015: £27,000)

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Key management personnel

The key management personnel of the Trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £556,518.

9 Governors' remuneration and expenses

The Headteacher and staff governors only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy trust in respect of their role as governors. The value of the governor's remuneration for the year, including pension contributions was as follows:

P Mayland - Headteacher and Trustee (appointed 1 September 2015)

Remuneration £75,001 - £80,000 (2015: not applicable)

Employer's pension contributions £10,001 - £15,000 (2015: not applicable)

B Baybutt - Staff Governor and Trustee (appointed 1 September 2015)

Remuneration £35,001 - £40,000 (2015: not applicable)

Employer's pension contributions £5,001 - £10,000 (2015: not applicable)

D Thoburn - Staff Governor and Trustee (appointed 1 September 2015)

Remuneration £45,001 - £50,000 (2015: not applicable)

Employer's pension contributions £5,001 - £10,000 (2015: not applicable)

J Hayes - Headteacher and Trustee (resigned 31 August 2015):

Remuneration £nil (2015: £90,001 - £95,000)

Employer's pension contributions £nil (2015: £10,000 - £15,000)

A Gibson - Staff Governor and Trustee (resigned 31 August 2015):

Remuneration £nil (2015: £50,000 - £55,000)

Employer's pension contributions £nil (2015: £5,000 - £10,000)

M Parkinson - Staff Governor and Trustee (resigned 8 March 2016):

Remuneration £nil (2015: £10,000 - £15,000)

Employer's pension contributions £nil (2015: £0 - £5,000)

During the year ended 31 August 2016 no expenses incurred on behalf of the Academy were reimbursed to trustees (2015: £256 to 1 trustee).

Related party transactions involving the governors are set out in note 19.

10 Governors and officers insurance

The 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 governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and providers cover up to £10,000,000. It is not possible to quantify the governors and officers indemnity element from the overall cost of the RPA scheme.

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	3,792,000	47,579	94,933	3,934,512
Additions	-	24,783	39,013	63,796
At 31 August 2016	3,792,000	72,362	133,946	3,998,308
Depreciation				
At 1 September 2015	187,848	24,332	21,304	233,484
Charge for the year	67,044	19,210	22,487	108,741
At 31 August 2016	254,892	43,542	43,791	342,225
Net book value				
At 31 August 2016	3,537,108	28,820	90,155	3,656,083
At 31 August 2015	3,604,152	23,247	73,629	3,701,028

The net book value of land and buildings comprises:

	2016 £	2015 £
Long leaseholds (over 50 years)	3,537,108	3,604,152

12 Debtors

	2016 £	2015 £
VAT recoverable	41,773	136,752
Other debtors	-	3,987
Prepayments and accrued income	47,045	34,116
	88,818	174,855

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	139,692	9,897
Other taxation and social security	54,054	47,016
Other creditors	44,980	40,327
Accruals and deferred income	94,839	217,604
	333,565	314,844

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Creditors: amounts falling due after more than one year				2016 £	2015 £
	Accruals and deferred income				22,565	45,130
15	Funds					
		Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	15,875	3,043,245	(3,047,081)	(12,039)	-
	Other DfE / EFA grants	40,225	332,821	(332,821)	-	40,225
	Other government grants	-	51,952	(51,952)	-	-
	Other restricted funds	(44,454)	99,575	(112,468)	22,328	(35,019)
	Funds excluding pensions	11,646	3,527,593	(3,544,322)	10,289	5,206
	Pension reserve	(598,000)	-	(38,000)	(401,000)	(1,037,000)
		(586,354)	3,527,593	(3,582,322)	(390,711)	(1,031,794)
	Restricted fixed asset funds					
	Inherited funds	3,604,152	-	(67,044)	-	3,537,108
	Capital expenditure from GAG and other funds	96,876	-	(41,697)	63,796	118,975
		3,701,028	-	(108,741)	63,796	3,656,083
	Total restricted funds	3,114,674	3,527,593	(3,691,063)	(326,915)	2,624,289
	Unrestricted funds					
	General funds	96,505	153,746	(154,353)	(74,085)	21,813
	Total funds	3,211,179	3,681,339	(3,845,416)	(401,000)	2,646,102

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes funding for special educational needs and look after children.

Other restricted funds include contributions received for school trips and non public donations and the related expenditure. It also includes a loan inherited from the Local Authority of £45,130.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £657,000 and had increased to £1,037,000 at 31 August 2016.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other grants during the year. Depreciation is charged against the fund.

16 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,656,083	3,656,083
Current assets	21,813	361,336	-	383,149
Creditors falling due within one year	-	(333,565)	-	(333,565)
Creditors falling due after one year	-	(22,565)	-	(22,565)
Defined benefit pension liability	-	(1,037,000)	-	(1,037,000)
	<u>21,813</u>	<u>(1,031,794)</u>	<u>3,656,083</u>	<u>2,646,102</u>

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Pension contributions amounting to £44,889 (2015: £40,228) were outstanding at the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (previously 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £407,981 (2015: £359,188).

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.5% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £103,000.

The academy has entered into an agreement to make contributions towards the deficit of £22,700 in September 2016, and £23,600 in September 2017, in addition to the normal funding levels.

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

Total contributions made	2016 £	2015 £
Employer's contributions (rounded)	102,000	107,000
Employees' contributions (rounded)	31,000	33,000
Total contributions	133,000	140,000
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.3	3.8
Rate of increase for pensions in payment	1.9	2.3
Discount rate	2.1	4.0
Inflation assumption (CPI)	1.8	2.3

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay growth £000	Sensitivity 4 1 yr increase in life expectancy £000
Liabilities	1,819	1,778	1,862	1,834	1,851
Assets	(782)	(782)	(782)	(782)	(782)
Deficit/(surplus)	1,037	996	1,080	1,052	1,069
Projected service cost	173	169	178	173	177
Projected net interest cost	21	21	22	21	21

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

	2016 Years	2015 Years
Retiring today		
- Males	23.0	22.9
- Females	25.6	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.9	27.8

The Trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	302,000	176,000
Bonds	20,000	41,000
Cash/liquidity	27,000	7,000
Property	74,000	47,000
Other assets	359,000	241,000
Total market value of assets	782,000	512,000
Actual return on scheme assets - gain/(loss)	144,000	18,000

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	116,000	119,000
Net interest cost	22,000	19,000
Administrative expenses	2,000	2,000
Total operating charge	140,000	140,000
Changes in the present value of defined benefit obligations		2016 £
Obligations at 1 September 2015		1,110,000
Current service cost		116,000
Interest cost		45,000
Employee contributions		31,000
Actuarial loss		522,000
Benefits paid		(5,000)
At 31 August 2016		1,819,000
Changes in the fair value of the Trust's share of scheme assets		2016 £
Assets at 1 September 2015		512,000
Interest income		23,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		121,000
Employer contributions		102,000
Employee contributions		31,000
Benefits paid		(5,000)
Administrative expenses		(2,000)
At 31 August 2016		782,000

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net expenditure for the reporting period	(164,077)	(121,744)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(113,577)	(227,109)
Investment income	(160)	(2,173)
Defined benefit pension costs less contributions payable	16,000	14,000
Defined benefit pension net finance cost/(income)	22,000	19,000
Depreciation of tangible fixed assets	108,741	86,999
(Increase)/decrease in debtors	86,037	1,219
Increase/(decrease) in creditors	(3,844)	(129,686)
Net cash used in operating activities	(48,880)	(359,494)

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	78,843	75,655
Amounts due in two and five years	122,046	188,374
	<u>200,889</u>	<u>264,029</u>

20 Capital commitments

	2016 £	2015 £
Expenditure contracted for but not provided in the accounts	-	24,560

21 Related party transactions

Owing to the nature of the Trust's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the Academy paid £nil (2015: £6,215) to Kay Jay Print Limited, a business controlled by two of the academy's governors or their close family members.

ALBANY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Members' liability

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

23 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	3,357,923	3,211,179
	<u> </u>	<u> </u>

Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(146,744)
	<u> </u>

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenses. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenses by £7,000 and reduce the debit in other recognised gains and losses in the SOFA by the equivalent amount.