

Company Registration No. 7732559 (England and Wales)

LYDIATE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

John Graham (Chair)
Colin Radcliffe (Vice Chair) (Resigned 31 May 2016)
Graham Hewer
Ann Stahler (Executive Headteacher)

Trustees

Mr John Graham
Mr Colin Radcliffe (Resigned 31 May 2016)
Mr Graham Hewer
Mrs Ann Stahler
Miss Susan Doyle (Resigned 9 February 2016)
Ms Sandra Hiatt
Mr Anthony Olsen
Mr James Kerfoot
Mr Dean Lythgoe
Mr Peter Duffy
Mr Stephen Hughes
Ms H Heap (Appointed 1 June 2016)

Senior management team

- Executive Headteacher
- CSSA Headteacher
- Studio Headteacher
- School Improvement Director
- Head of School Deyes High School
- Director of Finance

Mrs A Stahler
Mr J Kerfoot
Mr D Lythgoe
Mrs W Jack
Mr P Duffy
Mr S Hughes

Company secretary

Mrs D Moss

Company registration number

7732559 (England and Wales)

Registered office

Deyes Lane
Maghull
L31 6DE

Academies operated

Deyes High School
Childwall Sports and Science Academy

Location

Maghull
Liverpool

Principal

Mr P Duffy
Mr J Kerfoot

Independent auditor

RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

LYDIATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Bank Plc
1st Floor
5 St Paul's Square
Liverpool
L3 9SJ

LYDIATE LEARNING TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and Auditor's report of the Charitable Company for the year ended 31st August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 and comply with company's memorandum and articles of association and applicable laws.

The Trust operates 3 secondary academies in Liverpool and Sefton and a teaching school from its academy in Sefton.

On September 5 2016, Studio@Deyes opened its doors and we would like to welcome all its staff and students into the Lydiate Learning Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The trustees of the Lydiate Learning Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable trust 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 of after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Trustees' are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of Lydiate Learning Trust is to provide quality, free education for young people aged 11-19, who live in the Liverpool City Region.

Method of recruitment and appointment or election of trustees

The Trust will follow processes for any new recruits that are appropriate and use criteria for recruitment based on a review of the existing board membership. In the current year it has recruited two new board members from the academy ambassador's programme.

LYDIATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

The induction, training and support programme for Trustees will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however some general principles outlined below which should be common to all.

- An induction to the role, a tour of the sites and an introduction to members of the Senior Leadership teams will be provided by the Clerk to the Governing Body.
- It is expected that the incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation.
- The Trust's Equality and Diversity and related policies will be applicable to all.
- The other trustees and governors will be informed of any new appointments.
- Every trustee and governor should be prepared to offer support to new trustees as appropriate, in some circumstances it may be advisable to appoint a short term mentor to provide individual support.

Organisational structure

The management structure consists of four levels: the members of the company, the Board of the Company (Trustees), the Local Governing Body and the Senior Managers of each Academy. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions. The Trustees encourage staff contributions at all levels and collaboration between the schools in the Trust.

The trustees and directors are there to support the local governing body, senior management team and the wider community in the running of the Trust, and have no ambition to run any Academy on a day-to-day basis. Along with the governance role the trustees are there to give support and advice when asked and to be roving ambassadors for both the Trust and what it is trying to achieve.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel comprise: Chief Operating officer, Academy Head teachers and Senior Leadership teams, Executive Director of School Improvement and the Executive Director of Finance and Operations. The rules for determining the pay of key management are set out in the School Teachers' Pay and Conditions Document. The pay committees of the schools (consider Head teachers and Senior Leaders pay) and Board (consider executive pay) meet annually to consider increments against the pre-determined pay scale for each individual.

Related parties and co-operation with other organisations

The Trust does not currently sponsor any other school, it does however run the Associated Merseyside Partnership SCITT (school centred initial teacher training) on behalf of the Holy Rosary Teaching School. P Graham is an employee and a relation of J Graham and M Hughes a building contractor is a relation of S Hughes. All transactions were made at arms' length.

Risk Management

The trustees confirm that the major risks to which the Trust is exposed have been reviewed and systems or procedures have been established to manage those risks. The internal control systems and the exposure to risks are considered on a regular basis by management, trustees and governors.

LYDIATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Lydiate Learning Trust was established to provide education for pupils of different abilities between the ages of 11 and 19.

The main objectives and aims of the Trust are summarised below;

- to raise the standards of educational achievement of all pupils;
- to ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organizational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The vision and aims of the Trust rest on the following principles:

- place teaching and learning at the centre of all that we do
- make the process of learning vivid, challenging and enjoyable
- determine the needs of every student and set individual targets
- encourage students to be active participants in their own learning
- focus on the development of the whole child
- have high expectations of every member of our School Community
- celebrate and reward success in all aspects of school life
- include everyone and respect difference
- live the School's Core Values
- involve everyone in school improvement by informing, listening, valuing and responding
- maintain an attractive and well-resourced environment which stimulates and supports teaching and learning

Key activities and current targets are identified in the trust strategic plan and include;

- Raising student achievement
- Ensuring all academies in the Trust are good or better in Ofsted inspections
- For all academies in the Trust to set in year balanced budgets
- To further develop school to school support via a Trust school improvement team
- To create a shared support service that is used and valued by all its academies

LYDIATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Lydiate Learning Trust is the maintenance and development of high quality education provided by the Academies within the Trust.

We offer not only a broadly based academic education, but a wide-range of extra-curricular activities and educational trips.

STRATEGIC REPORT

Achievements and performance

Trust Development Plan Objectives 2016/2017

- to ensure the performance of our Academies/Schools improves year on year, demonstrating improved progress for students of all abilities and groups.
- to ensure teaching and learning across the trust will be outstanding
- recruitment and development of our workforce will be further developed to ensure outstanding provision for all our students
- leadership and Guidance across the Trust will be outstanding
- to ensure a robust business plan is in place that supports the schools to deliver outstanding education and learning
- to further enhance the post 16 model of organization, offer leadership and learning

Financial review

Most of the Trust's income is obtained from the Department for Education via the Education Funding Agency in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Trust. The GAG received during the period covered by this report and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Department of Education, in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants 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 charged over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £13,916,000 was covered by grant funding from the Department of Education together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £245,000.

At 31 August 2016 the net book value of fixed assets was £41,175,000 and movements in tangible fixed assets are shown in note 12 to the accounts. The assets were used exclusively for providing education and the associated support service to pupils of the School.

Reserves policy

The Trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees will endeavour to keep an appropriate level of GAG in reserve that it considers necessary for future operations and any capital projects or capital replacement.

LYDIATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

The Trust investment policy is consistent with its Charitable Status. Investments must always be in accordance with written procedures adopted by the Trustees and must always ensure that the maximum integrity of such investments. The priority for each school is to have cash invested in liquid investment products that bear no risk with its bankers.

Key performance indicators

We monitor progress through the Self Evaluation policy and Standards and Achievement Policy. Whilst we value greatly academic achievement and progression whatever a student's starting point, we also pay great attention to the pastoral development and personal welfare of our students.

In the current year we had two open academies within the Trust, namely Deyes High School and Childwall Sports and Science Academy, a third Studio@Deyes welcomed staff and students for the first time on 5th September 2016. The Trust also manages the Associated Merseyside Partnership SCITT on behalf of the Holy Rosary teaching school.

Analysis of Examination Outcomes for the Academic Year 2014/15

Deyes High School

Key Stage 3

The school's new assessment without levels system is now embedded. Standards remain high in core subjects and achievement in terms of progress and attainment indicates that students are well prepared for KS4.

Key Stage 4

The school showed significant improvements in outcomes from 2015, with a 10% increase in the proportion of students achieving 5A*-C GCSE grades including English and Mathematics (63% in 2015; 73% in 2016.) The proportion of students achieving the EBacc measure remained above the national average (33% at Deyes High School; 23% National Average.) The proportion of students making both expected and better than expected progress in English and Mathematics also increased from 2015.

Key Stage 5

Results in 2016 maintained the positive Value Added score for both academic (0.05) and vocational (0.65) qualifications. This was a significant achievement as students' starting points from AS results were lower than the previous cohort.

Childwall Sports and Science Academy

Key Stage 3

Standards have significantly improved in core subjects and achievement in terms of progress and attainment indicates that achievement in years 7 & 8 in the core is in line or exceeding national averages. Students are now much better prepared for KS4.

Key Stage 4

The basics figure is below national average at 42% English A*-C and at 48.3% Mathematics A*-C. The overall schools' progress 8 figure has improved to 0.64 in 2015 from -0.52.

Key Stage 5

Significant improvement in academic courses, which puts our APS entry and per student more in line with national figures. A2 vocational performance improved greatly with an average grade at Distinction* placing the school L3VA in the top 10% of the country for value added.

Associated Merseyside Partnership SCITT (AMP)

A 100% completion rate for students seen a total of 37 students gain qualified teacher status in this the first year of the AMP, 12 at primary phase and 25 at secondary phase.

LYDIATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

After making appropriate enquiries, the Trustees has a reasonable expectation that it 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

Principal risks and uncertainties

The Board, governors and senior managers complete a regular review of the risks the individual school faces and the systems in place or that needed to be implemented, to mitigate against any of the risk the school faces. The Board now consider systems are in place to mitigate any of the risks identified, the Trustees of the multi-academy trust will conducted a separate review of the Trust risks and uncertainties in 2016.

The Corporate Risk Map Audit in place identified and reviewed the following risk areas

- Safeguarding
- Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial
- Business continuity

AUDITOR

In so far as the Trust Board is aware:

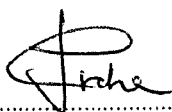
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken so that they aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The report of the trustees was approved by the trustees on
And signed on their behalf by:



.....
Mr John Graham
Chair

LYDIATE LEARNING TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day-to-day to the Executive Head teacher, as accounting officer, for ensuring financial controls conform to 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 Lydaite Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees and any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr John Graham	10	11
Mr Colin Radcliffe (Resigned 31 May 2016)	6	9
Mr Graham Hewer	6	11
Mrs Ann Stahler	11	11
Miss Susan Doyle (Resigned 9 February 2016)	0	11
Ms Sandra Hiett	8	11
Mr Anthony Olsen	7	11
Mr James Kerfoot	10	11
Mr Dean Lythgoe	11	11
Mr Peter Duffy	11	11
Mr Stephen Hughes	11	11
Ms H Heap (Appointed 1 June 2016)	2	2

Review of value for money

As accounting officer the Executive 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 social 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 value for money during the year by:

- Renegotiating contracts when appropriate, the trust uses consortia and its multi-academy trust status to obtain economies of scale where appropriate.
- The trust explores every opportunity to generate income through hire of the schools facilities and applies for any appropriate additional grant funding that may be available.
- The remodelling of staffing structures in individual schools

LYDIATE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 Lydiate Learning 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 at Lydiate Learning Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which Trust schools are 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 Trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The 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 trustee's
- 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 guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the board of trustees have appointed Moore and Smalley LLP, as Responsible Officer (RO) to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. These checks are carried out to a set schedule on an approximately quarterly basis and reported through the resources committees.

The trustees confirm that the RO has delivered their schedule of work as planned and has been delivered in line with the EFA's requirements.

Review of effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

LYDIATE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the trustees on 6.12.16

And signed on its behalf by:



Mr John Graham
Chair

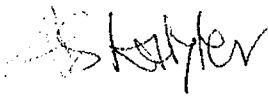
LYDIATE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Lydiate Learning Trust I have considered my responsibility to notify the board of trustees 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 Multi-Academy- Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the board of trustees 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 Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



MRS STAHLE

Mrs Ann Stahler
Accounting Officer

..... 7th Dec 2016

MRS STAHLE

LYDIATE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors for the charitable activities of Lydiate Learning Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees report and financial statements in accordance with the Annual Accounts Requirements 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 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;
- Make judgments and 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 financial statements; and
- 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 06-12-16

Mr John Graham
Chair



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYDIATE LEARNING TRUST

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Lydiate Learning Trust for the year ended 31 August 2016 set out on pages 16 to 36. The financial reporting framework that has been applied in their preparation is applicable law, 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", and the Academies Accounts Direction 2015/6 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 13, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeprivate>

Opinion on financial statements

In our opinion the financial statements:

- 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYDIATE LEARNING TRUST (CONTINUED)

YEAR ENDED 31 AUGUST 2016

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:

- the charity has not kept adequate accounting records, 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.



Karen Musgrave (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Dated: 20/12/16

LYDIATE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	2,243	2,243	669
Donations - transfer from local authority on conversion		-	-	-	-	12,877
Charitable activities:						
- Funding for educational operations	4	147	12,402	-	12,549	11,366
Other trading activities	5	486	-	-	486	412
Investments	6	3	-	-	3	3
Total income and endowments		<u>636</u>	<u>12,402</u>	<u>2,243</u>	<u>15,281</u>	<u>25,327</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	<u>605</u>	<u>12,188</u>	<u>1,123</u>	<u>13,916</u>	<u>13,075</u>
Total expenditure	7	<u>605</u>	<u>12,190</u>	<u>1,123</u>	<u>13,916</u>	<u>13,075</u>
Net income/(expenditure)		31	214	1,120	1,365	12,252
Transfers between funds		-	(39)	39	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(2,669)	-	(2,669)	(199)
Net movement in funds		31	(2,494)	1,159	(1,304)	12,053
Reconciliation of funds						
Total funds brought forward		<u>104</u>	<u>(4,377)</u>	<u>40,421</u>	<u>36,148</u>	<u>24,095</u>
Total funds carried forward		<u>135</u>	<u>(6,871)</u>	<u>41,580</u>	<u>34,844</u>	<u>36,148</u>

LYDIATE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		41,175		40,421
Current assets					
Debtors	13	1,629		489	
Cash at bank and in hand		1,552		1,077	
			3,181		1,566
Current liabilities					
Creditors: amounts falling due within one year	14	(2,371)		(1,354)	
Net current assets			810		212
Total assets less current liabilities			41,985		40,633
Creditors: amounts falling due after more than one year	15		(14)		-
Net assets excluding pension liability			41,971		40,633
Defined benefit pension liability	21		(7,127)		(4,485)
Net assets			34,844		36,148
Funds of the academy trust:					
Restricted funds					
- Restricted fixed asset funds	16		41,580		40,421
- Restricted general funds			256		108
- Pension reserve			(7,127)		(4,485)
Total restricted funds			34,709		36,044
Unrestricted income funds	16		135		104
Total funds			34,844		36,148

The financial statements set out on pages 16 to 36 were approved by the board of trustees and authorised for issue on 06.12.16 and are signed on its behalf by:

Mr John Graham
Chair



LYDIATE LEARNING TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by operating activities	19	106	15,007
Cash flows from investing activities			
Dividends, interest and rents from investments		3	3
Capital grants from DfE and EFA		2,243	669
Payments to acquire tangible fixed assets		(1,877)	(15,187)
		<u>369</u>	<u>(14,515)</u>
Change in cash and cash equivalents in the reporting period		475	492
Cash and cash equivalents at beginning of the year		1,077	585
Cash and cash equivalents at end of the year		<u>1,552</u>	<u>1,077</u>

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Lydiate Learning Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the academy trust 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 financial statements 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.

Lydiate Learning Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

These financial statements are the first financial statements of Lydiate Learning Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Lydiate Learning Trust for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

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 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.

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

Donations

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

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'.

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.

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

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

LYDIATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold property	over the remaining lease term
Assets under construction	not depreciated until brought into use
Computer equipment and software	3 years
Furniture and equipment	8 years
Motor vehicles	

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.

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.

Leased assets

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

Taxation

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

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'), which are multi-employer defined benefit schemes.