

THE LEARNING ALLIANCE ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

07703829-The Learning Alliance Academy Trust-1314-FinStat

THE LEARNING ALLIANCE ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Deborah Laflin
Robert Milne, Interim Chair of Directors
Brian Hazell

Trustees and Directors (from 1 September 2014)

Robert Milne, Interim Chair of Directors*
Deborah Laflin*
Brian Hazell*
John Thomas (appointed 1 October 2014)
Peter Ward (appointed 1 October 2014)
Roderick Watson, Chair of Finance(appointed 1 October 2014)
Gillian Coffey (appointed 1 October 2014)
Denise Fletcher (appointed 1 October 2014)

*Robert Milne, Deborah Laflin and Brian Hazell appointments were made on 13 July 2011 when the Trust was originally created.

Trustees and Directors (up to 31 August 2014)

Deborah Laflin, Chair of Trustees
Robert Milne, Vice Chairman of Trustees & Chair of Personnel & Curriculum Committee
Brian Hazell, Chair of Finance and Health, Safety and Site
Peter Duncan, Vice-Chair Personnel, Curriculum Committee and Site, and Health & Safety Committee
Wendy Bangs
Denise Fletcher
Trevor Allen
Gillian Coffey
Hannah Gates
Linda Hazell
Robert Breen
Carl White
Claire Preston (resigned 24 March 2014)
Mark Biss
Marva Carty (resigned 23 November 2013)
Roderick Watson
Hazel Gilbert
Samantha Vincent (resigned 31 December 2013)

Company registered number

07703829

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Principal and registered office

Lynch Hil School Primary Academy
Garrard Road, Slough, Berkshire, SL2 2AN

Company secretary

Linda Hazell

Senior Leadership team

Gillian Coffey OBE, Executive Headteacher
Linda Hazell, Business Manager
Lindsey Tomlinson, Head of School
Hannah Gates, Deputy Headteacher
Tracey Bowen, Deputy Headteacher (resigned 31 August 2014)
Punam Sehgal, Assistant Headteacher
Soma Das, Assistant Headteacher (appointed 1 September 2014)

Independent auditors

Moore Stephens LLP, 150 Aldersgate Street, London, EC1A 4AB

Bankers

HSBC, 175 Buckingham Avenue, Slough, Berkshire, SL1 4RD

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

THE LEARNING ALLIANCE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the audited financial statements for The Learning Alliance Academy Trust ("the Trust"). The Trust operated as a single academy through part of the year and became a multi academy trust (MAT) on 15 January 2014. The two schools within the MAT during the year ended 31 August 2014 are: Lynch Hill School Primary Academy which operated throughout the year and Lynch Hill Enterprise Academy which commenced operations as a secondary free school in September 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is known as The Learning Alliance Academy Trust formerly Lynch Hill School Primary Academy ("the Trust").

The Trust was incorporated as a charitable company under the Companies Act 2006 on 13 July 2011 and commenced operations on 1 August 2011. As indicated above, the Trust became a multi academy trust on 15 January 2014.

The Trust is a company limited by guarantee, incorporated under Company number 07703829 and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. These have been updated since the Trust's original incorporation and to meet the requirements of the changing structure of the Trust.

The Trustees of The Learning Alliance Academy Trust are also Directors of the charitable company for the purposes of company law and Trustees for the purposes of the Charities Act 2011.

The Members of the Trust comprise of :

- a) The signatories to the Memorandum;
- b) The chairman of Directors;
- c) The vice chairman of the Directors;
- d) Any person appointed where the Members may agree by passing a special resolution in writing to appoint such additional members as they think fit and may agree by passing a special resolution in writing to remove such additional members provided such an appointment or removal is in the interests of the Company.

Details of the Trustees who served throughout the period to the date of this report, except as noted, are included in the Reference and Administrative Details on page one. The changes in appointments after the year end were to structure the governance from a single academy to a multi academy trust.

Members' Liability

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

Trustees' Indemnities

The Trust's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a director, governor, trustee or officer of the Trust.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The Trust can have the following Directors (who are also the Trustees) :

- a) The number of Directors must not be less than three (unless otherwise determined by ordinary resolution) but is not subject to any maximum;
- b) The Directors may appoint such number as they see fit;
- c) The Executive Headteacher;
- d) Staff directors (including Principals), however the total number of directors including the Executive Headteacher and Staff Director who are employees of the Company shall not exceed one third of the total number of Directors;
- e) a minimum of two Parent Directors unless there are Advisory Bodies representing the Academies which include at least two Parent members.

The term of office for any Trustee except the Executive Head Teacher or any staff Trustee serving as a Director in an executive capacity is four years. Subject to remaining eligible to be a type of Director, any Director may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Upon their appointment, all new Trustees are given an induction by the School and governing body. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisation Structure

The structure of the organisation has three levels; the Trustees, the school leadership team and the operational school managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for agreeing general policy, adopting the annual plan and budget, monitoring the operations by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The School leadership team comprises the Executive Head Teacher, Head of School, the Deputy Heads, the two Assistant Heads and the Business Manager. These managers control the Schools at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Managers are responsible for authorising spending within the agreed budgets and the appointment of staff. The Trustees devolve the responsibility for staff appointments, other than those to the School leadership team.

The operational school managers are responsible for the day to day operation of the school departments, in particular organising staff, facilities and pupils. Each school within the Trust are also locally accountable to the Trust Board through an advisory body.

Connected Organisations including Related Party Relationships

There are no connected organisations or related party relationships other than those noted in note 27 to the Financial Statements.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal object and activity of the Trust is the provision of education for pupils between the ages of 3 and 19.

In accordance with the Articles of Association the Trust has adopted a funding agreement approved by the Secretary for Education. The funding agreement specifies, amongst other things, the basis for admitting pupils to the Trust's Schools and that the Trust will provide a broad and balanced curriculum.

The mission of the Learning Alliance Academy Trust is to ensure that every young person receives the best possible start in life through a world class education aimed at helping them become successful learners, confident individuals and responsible citizens. The Trust is focused on the development of the whole person – as a learner, as an individual, as a prospective employee and as a fully participating member of society.

The trust's vision 'Unlocking potential, Raising aspirations' is built on a belief that a strong partnership of students, parents and staff can help every student take responsibility for their own learning and provide the support they need to reach their full potential.

Objects and Aims

The principal object of the Trust is specifically restricted to the following: 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.

Objectives, Strategies and Activities

The Trust's main strategy is encompassed in its vision statements which is 'Learning Together' developing Individuals as Active Learners and thereby promoting high achievement and learning for life by:

- Being effective in our teaching so as to develop a child's intellect, experience and imagination, and to create an awareness of moral values and sense of purpose.
- Valuing every child as an individual with needs and aspirations who can make a distinct contribution to the life of the school.
- Providing a stimulating and well-resourced environment in which children's achievements are celebrated and shared.
- Encouraging the children to accept responsibility for their behaviour and their learning.
- Encouraging everyone to have an understanding, and tolerance of different religions, cultures, societies and people.
- Continually promoting a good rapport between pupil, all staff groups and parents.
- Having high expectations of work and behaviour.

Public Benefit

The Trustees acknowledge the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the Academy Trust are for the public benefit.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and Performance

Lynch Hill School Primary Academy

In September 2014 numbers on roll increased further from 900 to 930 pupils, including Nursery. This is because the school is increasing from 3 to 4 forms of entry year by year, following a recent building programme. The school is now 4 form entry, i.e. 120 children per year group, up to year 5. Staffing has also increased to cater for the additional pupils. A further eleven teachers and support staff have been employed since September 2014. The number on roll will be 960 when full which is well above average in size compared to all primary schools, nationally.

The school is popular and well-respected. Its excellent reputation attracts pupils from beyond the catchment area, across Slough. The school has continued to attract new pupils through the year hence there is now a waiting list for places at the school. Lynch Hill is a National Support School and the Executive headteacher is a National Leader of Education which means that it is recognised for the high standards and good progress it achieves for all its pupils and its capacity to support other underperforming schools, on behalf of the National College of Teaching & Leadership and the DfE. Lynch Hill was also granted Teaching School status in April 2013 and is now one of three Slough schools leading the Slough Teaching School Alliance.

The school population reflects the changing context of Slough. As well as increasing numbers on roll, the school now has 57.5% pupils from ethnic minority groups and 32.8% of its pupils do not speak English as their first language. Fifty four different languages are spoken in the school. Lynch Hill has 24.8% of its pupils who are eligible for Free School Meals (FSM) and some 10.6% of pupils receive additional support for special educational needs. The school population has above average levels of deprivation compared to national figures.

The aims and values of the school are to help pupils to develop:

- as motivated individuals who strive for high academic achievement
- as responsible and caring members of the community
- as independent, life-long learners
- who have high self-esteem, respecting themselves, others and the world around them.

Our school development plan targets 2013/14 were:

Priority one: Improving outcomes
To raise standards and accelerate progress in all year groups.
Priority Two: Improving the quality of teaching and learning
To continue to improve the quality of teaching and learning so that lessons are consistently good or better with more lessons judged to be outstanding.
Priority Three: Improving the safety and behaviour of pupils
To further improve behaviour for learning so that lessons are consistently good or better with more lessons judged to be outstanding.
Priority Four: Developing leadership and management
To improve the impact of curriculum leaders on outcomes and provision.

The evaluation of our school development plan showed that good progress was made against all four targets.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Lynch Hill pupils make good progress from low starting points to reach standards in English and Mathematics that are above average by the end of Year 6. They enter the school with skills that are generally lower than those expected for their age, especially in language, communication and mathematics. This was another excellent year for both attainment and progress. Results for the oldest children, in year 6, were again significantly above the national average, in both English and Mathematics. Achievement has been consistently above the national average for many years which represents outstanding performance from very low starting points for most children.

The majority of Lynch Hill pupils make at least the expected progress as they move through the school with many making better than expected progress. The achievement gap between disadvantaged pupils in receipt of free school meals and Looked After children, compared with all other children, is being addressed with the Pupil Premium grant. In Writing and Maths, 2% more of these children made the expected progress than all other children in the cohort and more than the national average. In Reading their progress equalled the national average but was 6% below all other children in the cohort. The Pupil Premium grant is being used to target these children and close the gap even further.

The school has worked increasingly effectively with parents from the many different backgrounds that make up the school community. One of the direct results of this is that attendance has improved year on year and is now above average. Overall attendance reached 97% at the end of the school year which is our highest ever result. This was an excellent outcome.

The school makes good provision for pupils' spiritual, moral, social and cultural development because the curriculum is well-thought-out, opportunities are created to broaden pupils' cultural horizons and pupils are encouraged to think deeply about a range of issues.

Pupils are polite and courteous. They feel safe at school and show positive attitudes to learning. Pastoral care is exemplary; the school ensures procedures for safeguarding are extremely robust.

Lynch Hill Enterprise Academy

In July 2012, Lynch Hill School Primary Academy was successful in its application to the DfE to open a secondary school under the Free School Programme. Lynch Hill Enterprise Academy opened in September 2014 in temporary accommodation on the primary academy site and is expected to move to its permanent site in September 2015. Commercial terms have been agreed on a permanent site for the new school and the design process is underway.

The Enterprise Academy is a 6-form entry, all ability school which specialises in Science, Technology, Engineering and Maths (STEM). This is the first of a brand new sort of school in Slough committed to developing the skills needed for the 21st century and delivering the next generation's workforce for Slough. This school works closely with local businesses to fully prepare students for the world of work offering a curriculum based around enterprise. Its aims are to develop young people for the world of work by:

- Ensuring students have the essential skills ready for employment and further study
- Fostering students' ambition, motivation and desire to realise their potential
- Developing students' communication skills, leadership and abilities to work as part of a team
- Embracing the need for students to be responsible and respectful members of the community

We believe that each student will leave Lynch Hill Enterprise Academy fully prepared for the world of work because of the value we place on Aspiration, Achievement and Success.

In September 2014 there were 67 pupils on roll and 11 teachers and support staff are employed at the school. The school is lead by a Head of School and the Executive Headteacher. The school population reflects the

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

context of Slough with 72.7% pupils from ethnic minority groups, 24.2% of its pupils eligible for Free School Meals (FSM) and some 18.9% of pupils receiving additional support for special educational needs. The school population has above average levels of deprivation compared to national figures.

Key Performance Indicators

The key financial performance indicators are:

The Trust will continue to trade with sufficient balances so as to continue to improve the infrastructure of the Trust and to ensure the continuity of education of students.

The Trust will keep within the agreed budget unless a variation is agreed by the governing body.

Non-financial performance indicators are: pupil numbers, exam results and maintaining facilities to a high standard. The Trust has a full complement in all year groups and details of exam results and facilities are explained within this report.

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 Accounting Policies.

Financial Review

The Trust's principal income is from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2014 and the associated expenditure are shown in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the EFA and other agencies. These 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 charges over the expected useful life of the assets.

During the year ended 31 August 2014 total expenditure of £5,074,000 (2013: £3,941,000) was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year was £21,000 (2013: £164,000 net expenditure over income) made up of restricted fixed asset funds of £(127,000) (2013: £110,000); restricted general funds of £148,000 (2013: (£274,000)).

Expenditure was used to provide a stimulating education for students and to improve the school infrastructure of in order to improve learning.

Within grant income and resources expended are those identified to the set up costs and costs relating to planning and site costs for Lynch Hill Enterprise Academy. These were funded by specific grants awarded by the EFA of £1,115,000 in the year.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31 August 2014, the deficit stood at £655,000 (2013: £520,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme. Note 24 details the assumptions and movements during the year on the Scheme.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

As at 31 August 2014 the net book value of assets was £6,263,000 (2013: £6,390,000) and movements in tangible assets are shown in Note 13 to the financial statements. The buildings and land are owned by the Trust. Any alterations or improvements incurred by the Trust are shown as fixed assets.

Reserves Policy

The Trustees agree the levels of reserves annually; this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be 2% of grant income. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

Investment Policy

The Trust adopts a low risk policy with regard to investments. Accounts are held with one bank for which the Business Manager maintains up-to-date reconciliations. The Finance Committee monitors the school bank account balance on a quarterly basis.

Principal Risks and Uncertainties

The principal goal for the Academy Trust is to safeguard its long-term ability to continue to attract high-calibre staff and deliver an excellent education to all pupils, and to maintain and renew its physical facilities.

The principal risk for the finances of the Academy Trust is a reduction in pupil numbers and the associated funding, but currently pupil numbers are increasing and the risk is assessed as minimal.

The directors have identified the key uncertainties facing the Academy Trust in the next twelve months to be the extent and impact of changes to government funding and the uncertain economic climate and financial environment, which put pressure on education and capital projects.

Risk Management

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Financial and Risk Management Objectives and Policies

The main objective is to ensure that the Academy Trust operates within its allocated budget and settles its liabilities as they fall due. The largest creditor within the balance sheet is the pension scheme deficit. Such a liability does not crystallise immediately but the Trust ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

In accordance with the Trust's statutes, the Trustees and senior staff are responsible for the administration and management of the Trust's affairs. They are responsible for setting objectives and policies to ensure that:

- There is an effective system of internal control and that accounting records are properly kept;
- There are appropriate financial and management controls in place to safeguard the assets of the Academy Trust and prevent and detect fraud; and
- The Academy Trust secures economical, efficient and effective management of its resources and expenditure.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have also introduced systems and procedures (e.g. safeguarding) and internal financial controls in order to minimise risk. Where significant risk still remains they have ensured that they have sufficient insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

As Trustees and directors, we acknowledge we have overall responsibility for ensuring that the Trust has an effective and appropriate system of controls, both financial and otherwise. We are also responsible for ensuring that proper accounting records are kept that disclose with reasonable accuracy the financial position of the Trust and enable us to prepare financial statements that comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy Trust and for taking reasonable assurance that:

- The Academy Trust is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used within the Trust or for publication is reliable;
- The Academy Trust complies with relevant laws and regulations.

Plans for Future Periods

The Trust plans to upgrade the facilities and enhance the capacity of Lynch Hill School Primary Academy to meet the needs of a 4-form entry school over the coming years. In 2014/15 the intention is to re-design the main entrance and school office whilst also extending one of the school halls. As explained earlier, the Trust is also expected to move Lynch Hill Enterprise Academy to its permanent site in September 2015.

