



Smailes Goldie
Chartered Accountants

Malet Lambert

Financial Statements

**For the period 17th June 2015
to 31st January 2016**

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for the period 17th June 2015 to 31st January 2016

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MALET LAMBERT

REFERENCE AND ADMINISTRATIVE DETAILS for the Period 17th June 2015 to 31st January 2016

MEMBERS	Mrs M Wright	(appointed 17.6.2015)
	Mrs J Disbrey	(appointed 17.6.2015)
		(resigned 4.8.2015)
	Mrs A Barker	(appointed 17.6.2015)
	Mrs L Killelay	(appointed 17.6.2015)
TRUSTEES	Mrs G Andrews	(appointed 22.9.2015)
	Mrs A Barker	(appointed 17.6.2015)
	Mrs P Coe	(appointed 22.9.2015)
	Mrs C Hanmer	(appointed 22.9.2015)
	P S Holloway	(appointed 22.9.2015)
	Mrs L Killelay	(appointed 17.6.2015)
	K J McCall	(appointed 22.9.2015)
	Mrs J M Wood	(appointed 22.9.2015)
	Mrs M Wright	(appointed 17.6.2015)
	Mrs J Disbrey	(appointed 17.6.2015)
		(resigned 4.8.2015)
SENIOR LEADERSHIP TEAM	Mrs M T Wallace	(appointed 22.9.2015)
		(resigned 1.2.2016)
	J Disbrey	(resigned 4.8.2015)
	C Abbott	
	P Sprakes	
COMPANY SECRETARY	S Fenna	
	A Dick	
REGISTERED OFFICE	A Dick	
REGISTERED COMPANY NUMBER	Malet Lambert School	
	James Reckitt Avenue	
	Hull	
	East Yorkshire	
	HU8 0JD	
AUDITORS	09643856 (England and Wales)	
SOLICITORS	Smailes Goldie	
	Regent's Court	
	Princess Street	
	Hull	
	East Yorkshire	
BANKERS	HU2 8BA	
BANKERS	Rollits LLP	
	Citadel House	
	58 High St	
	Hull	
	HU1 1QE	
BANKERS	HSBC Bank plc	
	Merit House	
	Saxon Way	
	Priory Park West	
	Hessle	
BANKERS	East Yorkshire	
	HU13 9PB	

REPORT OF THE TRUSTEES
for the period 17th June 2015 to 31st January 2016

The Trustees, who are also directors of the Academy Trust for the purposes of the Companies Act 2006, present their report with the financial statements of the Academy Trust for the period 17th June 2015 to 31st January 2016. The Trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in the East of Kingston Upon Hull. It has a pupil capacity of 1500 and had a roll of 1485 in the school census in October 2015.

INCORPORATION

The Academy Trust was incorporated on 17th June 2015 and commenced its educational operations on 1st September 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a private 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 Trust. The Trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as Malet Lambert.

Details of the Members and Trustees who served throughout the period are included in the Reference and Administrative Information 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 whilst they are a Member, or within one period after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Member.

Trustees' Indemnity

During the period the Academy Trust had in place third party indemnity provisions for the benefit of the Academy Trust's Members and Trustees.

Method of Recruitment and Appointment or Election of Trustees

As stated above all new Trustees are appointed by the Members and current Trustees and are responsible for the day to day management of the Academy Trust, exercising all the powers of the Members as stated in Article 94. Any changes to Trustees are listed on page 1.

Full details relating to the appointment and removal of Trustees are contained in the Articles of Association, with a brief summary given below.

There is no limit to the appointment of Trustees with their term of office being 4 periods (except for the Principal). Subject to remaining eligible any Trustee may be re-appointed or re-elected. Staff Trustees (including the Principal) may be appointed by such processes as the Members may determine providing that the number of Staff Trustees does not exceed one third of the total number of Trustees (including the Principal). The Principal is treated as an ex officio Trustee.

A minimum of 2 Parent Trustees shall, if necessary, be appointed according to articles 53-56. The Trustees may appoint Co-opted Trustees including employees of the Academy Trust providing that the number of Staff Trustees does not exceed one third of the total number of Trustees (including the Principal).

The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy Trust. The Secretary of State has not appointed any additional Trustees.

During the period under review the Trustees held 3 formal meetings in October 2015, December 2015 and January 2016.

REPORT OF THE TRUSTEES
for the period 17th June 2015 to 31st January 2016

Policies and Procedures Adopted for the Induction and Training of Trustees

Malet Lambert did not have policies and procedures for the induction and training of Trustees. On 31 January 2016, on transfer to The Education Alliance, the policies and procedures for the induction and training of Trustees of The Education Alliance were adopted.

Organisational Structure

Malet Lambert has one Trustee Body that holds all of the decision making authority. Where the Trustee Body considers it necessary, it does establish ad-hoc Committees and Panels in order to meet to deliver specific tasks. The main Trustee Body meets at least three times during the year.

Arrangements for setting pay and remuneration of key management personnel

On 31 January 2016, on transfer to The Educational Alliance, the pay policy of The Educational Alliance was adopted.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's objectives are set to reflect the educational aims and ethos of the school. In setting the objectives and planning the activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The main objects of the Academy Trust are:

- (a) Advancing 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
- (b) Promoting for the benefit of the inhabitants of the areas in which the Academy Trust is situated, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectivities, Strategies and Activities

The main objectives between 1 September 2015 and 31 January 2016 were:

- To develop a standardised system for assessment and tracking to ensure targeted intervention improves outcomes.
- To ensure the non-teaching classroom support is deployed effectively to ensure all pupils achieve highly and gaps between groups of students are narrow.
- Ensure teaching is of a consistent high quality by developing accurate marking, feedback and assessment to underpin planning of all lessons.
- Review the effective professional learning to ensure it enables teachers to develop highly quality teaching and learning.

Public Benefit

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the Academy Trust's aims and objectives and in planning future activities. The availability and access to the public of the Academy Trust's facilities is a key object within the Articles of Association.

Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to maintain equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant.

REPORT OF THE TRUSTEES
for the period 17th June 2015 to 31st January 2016

STRATEGIC REPORT

Achievements and Performance

Due to the reporting period of these financial statements no detailed reports regarding achievement and performance were produced. Achievements and performance will be assessed in Summer 2016.

Key Financial Performance Indicators

The Academy Trust understands that its biggest expense is staff costs and that this must be carefully monitored. The Academy Trust expects that staff costs should be less than 80% of income in order to remain efficient. In the period to 31 January 2016 staff costs were 76% of incoming resources.

Going Concern

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

On the 31 January 2016, the entire operation, assets and undertaking of Malet Lambert were transferred to The Education Alliance and Malet Lambert ceased to operate as a standalone academy from that date. Malet Lambert, as a statutory entity, continues in existence but is now dormant.

Financial Review

Financial report for the period

The financial results for the period were as expected. On 31 January 2016 Malet Lambert entered into an agreement for the transfer of its entire operations, assets and undertaking to The Education Alliance. The book values of the assets and liabilities transferred are set out in note 15.

Reserves policy

Malet Lambert did not have a reserves policy. On 31 January 2016, on transfer to The Educational Alliance, the reserve policy of The Educational Alliance was adopted.

Investment policy

Malet Lambert did not have an investment policy. On 31 January 2016, on transfer to The Educational Alliance, the investment policy of The Educational Alliance was adopted.

Principal Risks and uncertainties

The Academy Trust has identified principal risks and uncertainties including:

- Income reduction as a result of changes to the national funding.
- On-going national curriculum changes and educational reforms.
- Future LGPS actuarial losses.
- Depreciation costs on the land and buildings

The Trustees are reviewing a number of systems to assess risks that the school faces and they have introduced systems and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls, however this is not yet documented in a Finance Manual. Malet Lambert adopted the Finance Manual of The Education Alliance on 31 January 2016.

Plans for future periods

On 31 January 2016 Malet Lambert entered into an agreement for the transfer of its entire operations, assets and undertaking to The Education Alliance. The book values of the assets and liabilities transferred are set out in note 15.

REPORT OF THE TRUSTEES
for the period 17th June 2015 to 31st January 2016

In order to continue to develop with consistence and coherence, we have agreed the following three key themes for school development planning over the next year:

- High achievement for all
- Outstanding teaching for all
- Challenge and support for all

Key activities include:

- Subject staff confidently assessing student progress and make accurate predictions of future achievement.
- Continue to close the gap between non-pupil premium and pupil premium pupils in terms of developing a flexible and innovative use of technology which underpins teaching and learning in all areas of the school.
- Review and develop a clear teaching and learning structure to support high quality teaching and learning.

Auditor

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 the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The report of the Trustees, incorporating a strategic report, was approved by the Board of Trustees on 11 October 2016 and signed on the Board's behalf by:



.....
Mrs A Barker
Trustee

GOVERNANCE STATEMENT
for the Period 17th June 2015 to 31st January 2016

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Malet Lambert 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 of loss.

The Board of the Trustees did delegated the day-to-day responsibility to the Headteacher, 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 Malet Lambert and the Secretary of State for Education. Due to the unexpected death of the Headteacher, Malet Lambert appointed Chris Abbott of The Education Alliance as consultancy Headteacher. With this appointment Chris Abbott took over the role as Accounting Officer.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Barker (Chairperson)	3	3
M Wright (Vice Chairperson)	3	3
G Andrews	3	3
P Coe	3	3
C Hanmer	3	3
P S Holloway	2	3
L Killelay	3	3
K J McCall	2	3
J M Wood	3	3
M T Wallace	2	3
C Abbott (Consultant Headteacher and accounting officer)	3	3

There is no separate Finance Committee and therefore all financial oversight of the Academy Trust is through the Board of Trustees. Malet Lambert did not have an Audit Committee, however on joining the Education Alliance on 31 January 2016 an Audit Committee will oversee the Academy Trust's governance, risk management, internal control and value for money framework.

Governance reviews

There have been no Governance Reviews during this period. However, after Malet Lambert having joined The Education Alliance there will be reviews of the scheme of delegation, Governance structure, skills matrix and any required training will be delivered.

Review of Value for Money

As accounting officer the Consultant Headteacher 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 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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- A review of the Teacher Senior Leadership structure
- A review of the Educational Support Staff budget
- A review of all SLA's with the local authority
- Continually reviewing staffing costs and monitoring staff costs as a percentage of income
- Review of contact time ratios

GOVERNANCE STATEMENT
for the Period 17th June 2015 to 31st January 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 the 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 Malet Lambert for the period 17th June 2015 to 31st January 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 the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 17th June 2015 to 31st January 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

The Board of Trustees has considered the need for a specific internal audit function. There was no appointment of an internal auditor during the period, however Malet Lambert will adopt the internal auditor in place for The Educational Alliance from 31st January 2016.

Review of Effectiveness

As accounting officer the Consultant Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior leadership team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by the Board of Trustees on 11 October 2016 and signed on its behalf by:



Mrs A Barker
Trustee



Miss C Abbott
Accounting Officer

MALET LAMBERT
(REGISTERED COMPANY NUMBER: 09643856)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the period 17th June 2015 to 31st January 2016

As accounting officer of Malet Lambert I have considered my responsibility to notify the Academy Trust 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 Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Miss C Abbott
Accounting Officer

Date: 11 October 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES
for the period 17th June 2015 to 31st January 2016

The Trustees (who act as governors of Malet Lambert and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements 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 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 Academy Trust and of the incoming resources and application of resources, including the income and expenditure, of the Academy Trust for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

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

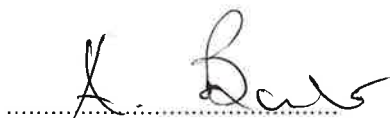
The Trustees are responsible for ensuring that in its conduct and operation the Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy Trust's auditors are 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 auditors are aware of that information.

Approved by the Board of Trustees on 11 October 2016 and signed on its behalf by:



Mrs A Barker
Trustee

Report of the Independent Auditors to the Members of Malet Lambert

We have audited the financial statements of Malet Lambert for the period ended 31st January 2016 on pages twelve to twenty eight. 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 FRS102 and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page nine, the Trustees (who 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31st January 2016 and of its incoming resources and application of resources, including its result, for the period 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 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of Malet Lambert

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 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.



Peter Duffield LLB FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 11 October 2016

Independent Reporting Accountant's Assurance Report on Regularity to Malet Lambert and the Education Funding Agency

In accordance with the terms of our engagement 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 Malet Lambert during the period 17th June 2015 to 31st January 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 Malet Lambert and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Malet Lambert 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 Malet Lambert and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Malet Lambert's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Malet Lambert's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st 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 17th June 2015 to 31st January 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 the 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 Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy, including those procured from related parties of the academy.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the academy bank account and debit card is appropriate for the purposes of the academy and that there has been no personal expenditure from the academy's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

**Independent Reporting Accountant's Assurance Report on Regularity to
Malet Lambert and the Education Funding Agency**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 17th June 2015 to 31st January 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 11 October 2016

STATEMENT OF FINANCIAL ACTIVITIES
for the period 17th June 2015 to 31st January 2016

	Notes	Unrestricted fund £'000	Restricted funds £'000	Restricted Fixed Asset Funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM					
Transfer from Local Authority on conversion	14	-	587	32,827	33,414
Charitable activities					
Funding for the academy's educational operations	3	-	3,219	-	3,219
Other trading activities	2	69	4	-	73
Total		69	3,810	32,827	36,706
EXPENDITURE ON					
Raising funds		65	-	-	65
Charitable activities					
Academy's educational operations	5	50	3,224	276	3,550
Transfer from Local Authority on conversion	14	-	1,630	-	1,630
Transfer to The Education Alliance	15	(46)	(1,044)	32,551	31,461
Total	4	69	3,810	32,827	36,706
NET INCOME/(EXPENDITURE)					
		-	-	-	-
TOTAL FUNDS CARRIED FORWARD					
		-	-	-	-

On 31 January 2016, the entire operation, assets and undertaking of Malet Lambert Academy were transferred to The Education Alliance.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BALANCE SHEET
At 31st January 2016

	Notes	Unrestricted fund £'000	Restricted funds £'000	Restricted Fixed Asset Funds £'000	Total funds £'000
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS		<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUNDS	11				
Unrestricted funds:					-
Restricted funds:					<u> </u>
TOTAL FUNDS					<u> </u>

The financial statements were approved by the Board of Trustees on 11 October 2016 and were signed on its behalf by:



Mrs A Barker
Trustee

CASH FLOW STATEMENT
for the period 17th June 2015 to 31st January 2016

	Notes	£'000
Cash flows from operating activities:		
Cash generated from operations	16	267
Cash transferred on conversion		587
Cash transferred to The Education Alliance		<u>(851)</u>
Net cash provided by operating activities		<u>3</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets		<u>(3)</u>
Net cash used in investing activities		<u>(3)</u>
		<u> </u>
Change in cash and cash equivalents in the reporting period		-
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Malet Lambert Academy meets the definition of a public entity under FRS 102.

Going concern

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

On the 31 January 2016, the entire operation, assets and undertaking of Malet Lambert were transferred to The Education Alliance and Malet Lambert ceased to operate as a standalone academy from that date. Malet Lambert, as a statutory entity, continues in existence but is now dormant.

Income

All income is recognised in the Statement of Financial Activities once the Academy Trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is 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.

Sponsorship income

Sponsorship income provided to the Academy Trust that 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 it is probable that the income will be received and when the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and when the amount can be measured reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

Donated facilities and services provided to the Academy Trust are recognised at their value to the Academy Trust in the period when it is probable that the economic benefits associated with the donated items will flow to the Academy Trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably, in which case a derived value, being the cost of the item to the donor, is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset, in which case the income 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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Academy Trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Costs of charitable activities are 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.

Tangible fixed assets

Assets costing £500 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 lives. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold land	Over the life of the lease - 125 years
Long leasehold buildings	2% on cost
Fixtures, fittings and computer equipment	20% on cost

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.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

1. ACCOUNTING POLICIES - continued

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Academy Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 13, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of the 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.

Conversion to academy status

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operations of the school for £nil consideration and has been accounted for under the acquisition accounting method.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

1. ACCOUNTING POLICIES - continued

Conversion to academy status - continued

The assets and liabilities transferred on the conversion of Malet Lambert School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Malet Lambert. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in resources expended as net expenditure in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 14.

Transfer to The Education Alliance

On 31 January 2016, Malet Lambert became a part of The Education Alliance, a Multi-Academy Trust and all its assets and liabilities were transferred on that date. Further details of the transaction are set out in note 15.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 13, 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 January 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.

2. OTHER TRADING ACTIVITIES

	£'000
Hire of facilities	17
Miscellaneous sales	6
Parental contributions	50
	<u>73</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
General Annual Grant	-	3,036	3,036
Other DfE/EFA grants	-	154	154
Other government grants	-	29	29
	<u>-</u>	<u>3,219</u>	<u>3,219</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

4. EXPENDITURE

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000
Raising funds				
Costs of fundraising	-	-	65	65
Charitable activities				
Academies educational operations				
Direct costs	2,159	-	405	2,564
Allocated support costs	<u>298</u>	<u>437</u>	<u>251</u>	<u>986</u>
	2,457	437	721	3,615
Transfer from Local Authority on conversion	-	-	1,630	1,630
Transfer to The Education Alliance	<u>-</u>	<u>-</u>	<u>31,461</u>	<u>31,461</u>
	<u>2,457</u>	<u>437</u>	<u>33,812</u>	<u>36,706</u>

Net income is stated after charging:

	£'000
Depreciation - owned assets	275
Audit fees	<u>4</u>

5. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2016 £000
Direct costs - educational operations	2,564
Support costs - educational operations	<u>986</u>
	<u>3,550</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

6. SUPPORT COSTS

Support costs include the following:

	Costs of generating voluntary income £'000	Other resources expended £'000	Academy's educational operations £'000	Total activities £'000
Catering	65	-	-	65
Transfer to The Education Alliance	-	31,461	-	31,461
Wages	-	-	298	298
Recruitment and support	-	-	19	19
Maintenance of premises and equipment	-	-	55	55
Cleaning	-	-	7	7
Insurance	-	-	19	19
Governance	-	-	15	15
Depreciation of tangible assets	-	-	275	275
Other costs	-	-	298	298
	<u>65</u>	<u>31,461</u>	<u>986</u>	<u>32,512</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

One Trustee has been paid remuneration from an employment with the Academy Trust. The Trustee only received remuneration in respect of services they provided undertaking the role of a staff Member under their contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

K McCall (staff Trustee)

Remuneration	£15,000 to £20,000.
Employer pension contributions paid	£nil to £5,000.

C Hanmer (staff Trustee)

Remuneration	£20,000 to £25,000.
Employer pension contributions paid	£nil to £5,000.

Trustees' expenses

There were no Trustees' expenses paid for the period ended 31st January 2016.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

8. STAFF COSTS

Staff costs during the period were:

	Total 2016 £'000
Wages and Salaries	1,881
Social Security Costs	134
Employer Pension Contributions	349
	<hr/> 2,364 <hr/>
Supply staff costs	68
Staff restructuring costs – severance payments	25
	<hr/> 2,457 <hr/>

Non-statutory/non-contractual severance payments totalled £24,767. Individually, the payments were £15,000 and £9,767.

Staff numbers

The average number of persons (including senior leadership team) employed by the Academy Trust during the period was as follows:

Teachers	81
Administration and support	63
Management	8
	<hr/> 152 <hr/>

Higher paid staff

No employees received emoluments in excess of £60,000

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and senior leadership team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the Academy Trust was £141,579.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

9. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
Transfer on conversion	32,697	104	26	32,827
Additions	-	3	-	3
Transfer to The Education Alliance	(32,697)	(107)	(26)	(32,830)
At 31st January 2016	-	-	-	-
DEPRECIATION				
Charge for period	264	9	2	275
Transfer to The Education Alliance	(264)	(9)	(2)	(275)
At 31st January 2016	-	-	-	-
NET BOOK VALUE				
At 31st January 2016	-	-	-	-

The Land and Buildings were professionally valued for recognition at the original occupation date. These valuations have been used by the Academy Trust to determine a cost figure for these assets to be introduced into the accounts at 1 September 2015. The land is being amortised equally over the 125 years of the lease and the notional net book value at 1 September 2015 of £1,658,404 has been introduced to the academy as donated income on conversion. The buildings are being depreciated over their estimated useful lives of 50 years and the notional net book value at 1 September 2015 of £31,039,036 has been introduced into the academy as donated income on conversion.

The Academy Trust's fixed assets were transferred to The Education Alliance on 31 January 2016

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

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

11. MOVEMENT IN FUNDS

	Net movement in funds £'000	At 31 January 2016 £'000
	<hr/>	<hr/>
TOTAL FUNDS	<hr/> - <hr/>	<hr/> - <hr/>

Net movements in funds are as follows:

	Incoming resources £'000	Resources expended £'000	Movement in funds £'000
Unrestricted funds			
General fund	69	(69)	-
Restricted funds			
Donations from local authority	32,827	(32,827)	-
General Annual Grant (GAG)	3,627	(3,627)	-
Other DfE/EFA grants	183	(183)	-
	<hr/> 36,637 <hr/>	<hr/> (36,637) <hr/>	<hr/> - <hr/>
TOTAL FUNDS	<hr/> 36,706 <hr/>	<hr/> (36,706) <hr/>	<hr/> - <hr/>

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

General Annual Grant

General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward.

Other DfE/EFA Grants

The other DfE/EFA grants must be used for the specific purpose for which they are given. These grants are given to fulfil the charitable objects of the Academy Trust.

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund represents fixed assets donated by Kingston upon Hull City Council, together with assets funded by DfE/EFA capital grants.

12. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy Trust and the composition of the Board of Trustees 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.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed elsewhere in the notes.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

13. PENSION AND SIMILAR OBLIGATIONS

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

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

There were no outstanding or prepaid contributions at either the beginning or 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

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 key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 1.41%))
- 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 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 employer's pension costs paid to TPS in the period amounted to £211,150.

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

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

13. PENSION AND SIMILAR OBLIGATIONS - continued

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 pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the five month period ended 31 January 2016 was £160,570, of which the employer's contributions totalled £111,297 and the employee's contributions totalled £49,273. The agreed contribution rates for future years, set at 3 June 2015, are 36.8% for employers and 5.8% for employees.

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

The LGPS obligation relates to the employees of the Academy Trust who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The latest valuation was undertaken on conversion to an Academy Trust and was valued at a deficit of £1,630,000. No further valuation has been undertaken at the 31 January 2016 on transfer to The Education Alliance.

14. CONVERSION TO AN ACADEMY

On 17 June 2015 Malet Lambert School converted to an Academy Trust under the Academies Act 2010 and all of the operations, assets and liabilities were transferred to Malet Lambert from Hull City Council local authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net resources expended in the Statement of Financial Activities as Other Resources Expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets	-	-	32,827	32,827
LGPS pension deficit	-	(1,630)	-	(1,630)
Surplus on LA funds	-	587	-	587
	<u>-</u>	<u>(1,043)</u>	<u>32,827</u>	<u>31,784</u>

The LGPS deficit relates to the employees of the Academy Trust who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The deficit in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
for the period 17th June 2015 to 31st January 2016 - continued

15. TRANSFER TO THE EDUCATION ALLIANCE

On 31 January 2016 Malet Lambert entered into an agreement for the transfer of its entire operations, assets and undertaking to the Education Alliance. The book values of the assets and liabilities transferred are set out in the table below:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
Tangible fixed assets	-	-	32,555	32,555
LGPS pension deficit	-	(1,630)	-	(1,630)
Surplus on academy funds	(46)	586	(4)	536
	<u>(46)</u>	<u>(1,044)</u>	<u>32,551</u>	<u>31,461</u>

Although the bank accounts totalling £851,268 are in the name of Malet Lambert at 31 January 2016, the substance of the transaction is that they were transferred to The Education Alliance and accordingly they are not reflected on the balance sheet of Malet Lambert at 31 January 2016.

16. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	£'000
Net income for the reporting period (as per the statement of financial activities)	-
Adjustments for:	
Depreciation charges	275
Transfer from Local Authority on conversion	(31,197)
Cash transferred on conversion	(587)
Transfer to The Education Alliance	30,615
Cash transferred to The Education Alliance	851
Increase in debtors	(207)
Increase in creditors	517
Net cash provided by operating activities	<u>267</u>