

ALTRINCHAM COLLEGE OF ARTS
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

ALTRINCHAM COLLEGE OF ARTS

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ALTRINCHAM COLLEGE OF ARTS

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

R J Aubrey (Chair of trustees) *
P R Brooks (Headteacher and accounting officer) *
A Bell
J E Brophy
R Beattie (appointed 1 December 2014)
M Collier *
R S Cornish *
A Eastwood
M English *
A Floodgate (Resigned 22 October 2014)
L A Goodchild
T Hague *
S Hodges
J P Kevan
E J Lane (Resigned 13 January 2015)
D Lewis (Appointed 1 September 2014)
M Lucas
P Schofield (Resigned 21 October 2014)
D Slack
H A Stevenson
S G Wildman
M D P Young

* members of the Finance and Audit Committee

Members

R J Aubrey
M English
S G Wildman

Senior management team

- Headteacher	P R Brooks
- Deputy headteacher	A Brennan
- Assistant headteacher	S Diffley
- Assistant headteacher	A Eastwood
- Assistant headteacher	M Hacker
- Assistant headteacher	K Tovey
- SEN Co-ordinator	L McGrath
- School business manager	D N Taylor

Company secretary

D N Taylor

Company registration number

08137701 (England and Wales)

Registered office

Green Lane, Timperley, Altrincham, Cheshire, WA15 8QW

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds TSB Bank Plc, PO Box 1000, Andover, BX1 1LT

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their report with the financial statements of the charitable company for the period ended 31 August 2015.

Structure, governance and management

Constitution

The academy was incorporated on 10 July 2012 as a company limited by guarantee with no share capital, registration no: 08137701. The company commenced operation as an academy on 1 September 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the board of trustees of Altrincham College of Arts. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. The registered office of the company is noted on page 1.

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 period 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.

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation.

The trustees who were in office at 31 August 2015 and served during the period are listed on page 1.

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed at note 10.

Principal activities

Altrincham College of Arts converted to academy trust status on 1 September 2012 at which point the entity's current operations commenced. The academy trust's principal activities are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of trustees

The members of the trust are responsible for the appointment of trustees except five parent trustees and four staff trustees who will be appointed through an election process directed by the board of trustees. The number of trustees shall be not less than three and shall not be subject to a maximum.

Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees.

During the year, trustees are offered all necessary training.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

All trustees are members of the board of trustees. In addition trustees are members of committees which report to the board of trustees.

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has six sub-committees:

- Finance, Premises and Audit, which meets at least termly to consider the academy's budgets, financial performance, premises requirements, effectiveness of the academy's systems of internal control, the responsible officer's reports and its arrangements for risk management, control and governance processes;
- Personnel and Marketing, which meets at least termly to ensure the school complies with relevant employment legislation, consider staffing matters, remuneration and promote the academy, so that it is viewed as the preferred choice within the catchment area;
- Pastoral and Curriculum, which meets at least termly to consider curricular issues and academic performance against targets and the pastoral care, support and guidance given to students;
- Admissions, which meets at least annually to review the number on roll against net capacity and prepare and present the academy's case in response to any parental appeals against the refusal of admission to the academy;
- Pupil and Staff Discipline, which is convened as necessary to hear formal exclusion reviews, staff grievance, professional competency and discipline procedures; and
- Pay Review Committee, which meets at least annually, to conduct the performance management review of the headteacher, deputy headteacher and members of staff paid on the leadership scale.

The day to day management is delegated to the headteacher, who has appointed a Senior Leadership Team, which meets weekly to advise the headteacher on his day to day responsibilities.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy 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 finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Related parties and other connected charities and organisations

Altrincham College of Arts is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

The trust's object is to advance for the public benefit education for children aged 11 to 18 by establishing, maintaining, leading, managing and developing a school offering a broad and balanced curriculum.

The trustees' vision is to create a culture of high achievement and success in order to extend lifetime opportunities for young people and to do everything possible to encourage this. The latest Ofsted report (May 2011) judged Altrincham College of Arts to be 'Outstanding' for the second inspection in succession and provides clear evidence that this vision is being met. Altrincham College of Arts converted to academy status as it offered additional freedoms and resources to continue to drive the academy forward.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic, creative and technological excellence and extend their sporting and musical accomplishments.

The academy fosters personal development that helps students to become valued members of the community and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The academy's objective for the period ended 31 August 2015 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll: The total number on roll for the year to 31 August 2015 was 942.

Admissions: The academy is currently under-subscribed by approximately 8.5% calculated against its official capacity of 1,030. However, numbers in Years 7 – 11 meet capacity, with the surplus in sixth form places due to the steady growth of the new sixth form.

Permanent exclusions: The aim is to use exclusion only in very exceptional circumstances. Altrincham College of Arts had two permanent exclusions during the period from 1 September 2014 to 31 August 2015. During the same period there were eleven fixed term exclusions.

Staffing: The average number of (full time equivalent) staff employed during the year to 31 August 2015 was 110.

Public benefit

The trust will promote for the benefit of inhabitants of Altrincham, Sale and the surrounding area, 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.

The academy's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

In 2014, Altrincham College of Arts, achieved best ever GCSE results, exceeding the national average by 9% points, with a cohort that entered secondary school below the national average.

In 2015, 54% achieved 5 or more A* - C GCSE passes including English and Maths closely matching targets and estimates.

Altrincham College of Arts is a facilitator for school improvement through its designation as a National Support School. The headteacher is a National Leader in Education (NLE) and has led programmes of school-to-school support in a number of secondary schools which have gone on to post their best ever results.

GCSE KS4 Results	2011	2012	2013	2014	2015
% 5+ A* - C inc Eng & Maths	59	47	48	62	54
% 5+ A* - C English	64	49	53	75	66
% 5+ A* - C Maths	69	68	72	72	64
% 5+ A* - C E Bacc	14	5	12	13	14
% 5+ A* - G	96	96	98	98	97

A Level KS5 Results	2013	2014	2015
% of KS5 students achieving 3 or more A levels at A* - E (including equivalences)	86	80	74.5
% of KS5 students achieving 2 or more A levels at A* - E (including equivalences)	100	90	98

We are delighted to report that following an Ofsted inspection carried out on in May 2011, Altrincham College of Arts received the official rating of 'OUTSTANDING'. This inspection followed the revised 2012 Ofsted inspection criteria.

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Our inspection judgements were:

• Overall effectiveness	OUTSTANDING
• Achievement & progress of pupils	OUTSTANDING
• Quality of teaching	OUTSTANDING
• Behaviour & safety of pupils	GOOD
• Leadership & management	OUTSTANDING

We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work.

Key performance indicators

Successful student outcomes are the key performance indicators for students at Altrincham college. This includes whole school attendance, 5 or more GCSE passes at A* - C including English and Maths, 5 or more A* - E grades, expected progress in English and Maths and Best 8 Average Point Score. Student performance in the key outcomes are measured against expected outcomes (Fischer Family Trust estimates) and national averages.

Over the past 6 years performance has consistently exceeded or matched FFT estimates with the exception of 2013.

In the Sixth Form, key performance indicators are highlighted in the Department for Education Performance Tables and the Level 3 Value Added Measure. Since opening the Sixth Form in 2011, the results have improved year on year.

Whole school attendance for 2014/15 was at 95.1%, against a national average for 2014 of 94.9%.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

Going concern

After making appropriate enquiries, the board of trustees 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 note of the financial statements.

Financial review

The trust's financial position for the year to 31 August 2015 demonstrates total income of £6,083,845 with a deficit at 31 August 2015 of £206,343. The deficit will be met by brought forward reserves

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy's buildings, its plant, equipment and contents.

A strategic capital plan is updated and reviewed annually by the trustees in order that reserves can be prioritised and spent according to the needs of the academy.

The principal financial management policies adopted in the year are:

- regular financial reviews of income and expenditure versus planned budgets at Finance, Premises and Audit Committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Reserves carried forward at 31 August 2015 will be utilised as part of the medium and long term plans of the academy to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Financial and risk management objectives and policies

The academy has developed risk management procedures as outlined above. The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risk management process is undertaken on an annual basis.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, 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 equivalent to one month of the GAG, approximately £400k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £740,532.

Investment policy

Altrincham College of Arts policy is to invest surplus funds in risk free deposit accounts listed on the council's approved list of banks and building societies. Free reserves in the current account should be at least equivalent to one month of GAG.

The Finance, Premises and Audit Committees periodically review interest rates and the school business manager invests surplus cash on either 6 week, 3 months, 6 months or twelve month terms dependent on market rates and cash flow. Changes to this policy require the approval of the board of trustees.

Principal risks and uncertainties

Altrincham College of Arts has adopted a risk management policy, risk register and risk review process. The objectives determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees;
- vetting procedures as required by law for the protection of the vulnerable.

The academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 17. A deficit has been recognised at 31 August 2015. As yet no adjustment has been made to the contributions rate to pay off this deficit.

ALTRINCHAM COLLEGE OF ARTS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

Altrincham College of Arts has been awarded facilitation school status, accredited by Ofsted, and will continue to teach the Outstanding Teacher Programme and the Improving Teacher Programme.

Whole school objectives and plans for the 2015-16 year include:

1. To achieve/exceed whole school performance targets for 2015/2016.
2. To close any projected gaps in performance between PP/Non PP.
3. To implement a revised whole school approach to intervention (DTT), which impacts positively on student progress.
4. To ensure that high quality teaching and learning impacts on excellent student outcomes and that all lessons are good/outstanding, with no inadequate teaching.
5. For all students in all subjects to know how to progress to the next stage of their learning through high quality marking and feedback.
6. Implement the new KS3 Assessment and Student Progress Flightpath model.
7. To ensure attendance is above the national average and in excess of 95.5% for 2016.
8. To implement the PiXL Edge strategy in order to enhance students' employability skills and personal qualities.
9. To review and enhance PSHE delivery across the curriculum to include updated statutory responsibility for CSE, Prevent and the promotion of positive values.
10. To implement a CPD programme that equips staff to embrace and successfully implement planned educational change (NC, beyond levels, GCSE, AS/A2, Progress 8).
11. To consider application for multi academy trust status and further opportunities for growth.
12. To make a successful transition towards highly effective paperless communication with staff and parents across the academy.
13. To support Middle Leaders in reducing in-school variation and in-department variation.
14. To ensure the curriculum and organisation of the school day promotes high achievement, positive engagement and develops employability skills and qualities for the future.

Targets for 2015-16 agreed by the board of trustees include:

• Progress 8	+0.2
• Attainment 8	C
• English A* - C	70%
• Maths A* - C	76%

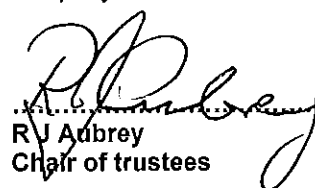
Auditors

In so far as the trustees are aware:

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

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2015 and signed on its behalf by:


R J Aubrey
Chair of trustees

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met three times during the period. Attendance during the meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr R Aubrey	3	3
Ms R Beattie	2	3
Mrs A Bell	2	3
Mr P Brooks	3	3
Cllr Mrs J Brophy	2	3
Mr M Collier	0	3
Mr R S Cornish	3	3
Mr A Eastwood	3	3
Mr M English	2	3
Mrs A Floodgate	0	0
Ms L A Goodchild	3	3
Mr T Hague	3	3
Mr S Hodges	3	3
Mr J Kevan	3	3
Rev E Lane	0	1
Mrs D Lewis	2	3
Mrs M Lucas JP	1	3
Mr D Slack	2	3
Mrs H A Stevenson	3	3
Mrs S Wildman	3	3
Cllr M Young	2	3

The Finance, Premises and Audit committee is a sub-committee of the board of trustees. Its purpose is to report to the board of trustees on a timely basis the finance of the academy. Attendance at meetings in the period was as follows:

Trustee	Meetings Attended	Out of Possible
Mr R Aubrey	3	4
Mr P Brooks	4	4
Mr M Collier	1	4
Mr R S Cornish	4	4
Mr M English	4	4
Mr T Hague	4	4

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money statement

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Improving educational results:

We ensure resources are directed where they are most needed and most effective in meeting the educational requirements of all our students. We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work.

The school leaders have applied the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all pupils.

The academy has fully embedded student tracking systems for monitoring progress from Key Stage 2 through to Post 16. Fisher Family Trust is the adopted performance measure and target monitoring tool. Over the past 8 years, performance at KS4, measured using the key benchmark of 5+A*-C inc. En and Ma against FFT estimates, has been very impressive. With the exception of one year between 2006 and 2015, performance has consistently met and often exceeded FFT estimates.

More students have accessed further education at ACA and all year 12 and 13 students are set target grades using the Advance Level Performance System (ALPS). This is a recognised system for Post 16 students and takes into account the GCSE performance of each student using their average point score, creating appropriate, challenging targets for KS5.

The Sixth Form PANDA (Performance and Assessment) report and the L3 value added progress measure is the key source of evidence used for evaluating sixth form performance. Sixth form performance in 2014/15 for students on academic courses was slightly below the national average and for students on vocational courses, slightly above the national average.

The academy places importance on staff retention and development in order to maintain the highest standards of teaching and learning. School leaders have considered the allocation and use of teaching areas, support areas and communal areas and provided a rich learning environment for teaching and learning. The quality of children's learning has been reviewed by cohort, class and individually which has provided teaching that enabled children to progress and achieve.

School leaders reviewed the quality of curriculum provision and quality of teaching, and provided parents and students with:

- a curriculum which met the requirements of the National Curriculum, the LA Agreed RE Syllabus, and the individual needs of pupils; and
- teaching which built on previous learning and had high expectations of children's achievement.

The academy tracks attendance and behaviour of all students; whole school attendance for 2014/15 was at 95.1%, against a national average of 94.9%.

Examples of good practice demonstrating good value for money include;

- 55% of the Year 11 cohort achieved 5 or more A* – C grades including English and Maths, exceeding both the national average and meeting FFT estimates;
- the percentage of A level grades at A* – B has increased for the third year in succession;
- the percentage of students accessing higher education has increased significantly;
- the percentage of Year 11 leavers classed as NEET (not in education, employment or training) is 0%; and
- a Summer School for Pupil Premium students, Saturday Gifted and Talented workshops and holiday revision classes all support the improved achievement.

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial governance and oversight:

Our governance arrangements included regular monitoring by the accounting officer, board of trustees and its committees; including the Finance, Premises and Audit Committee. They received regular financial reports, discussed the information and asked relevant questions as evidenced in the minutes. The work of the Finance, Premises and Audit Committee was further informed by the work of the responsible officer, external auditors and on-going monthly support from the accountants.

The academy trust's system of internal financial control was 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 included:

- regular financial reviews of income and expenditure against planned budgets;
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports;
- regular reviews by the finance and buildings committee of reports which indicated 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);
- delegation of authority and segregation of duties; and
- identification and management of risks.

The accounting officer, school leaders and trustees:

- made comparisons with other/similar schools and the Government, e.g. RAISE online, FFT, Ofsted, quality of teaching & learning, levels of expenditure;
- challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, budget setting;
- required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. expansion of the fitness suite, refurbishment of the English centre; and
- consulted individuals and organisations on quality/suitability of service we provided to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted, energy, maintenance consultant.

This applied in particular to:

- staffing;
- use of premises;
- use of resources;
- quality of teaching;
- quality of learning;
- purchasing;
- pupils' welfare; and
- health and safety.

Better purchasing

The academy maintained a database of approved regular suppliers and contractors. Consortia were used where they provided value for money. The trust took opportunities to work collaboratively with others to reduce and share administration and procurement costs e.g. National Leader in Education supporting schools with difficulties.

All services and contracts were appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness and ensure they were fit for purpose and best value. Multiple year contracts with the clause to be able to cancel the contract, were entered in to ensure reduced costs where it was felt that it would benefit the trust e.g. Cleaning, HR and payroll contracts.

Examples of steps taken to ensure value for money when purchasing included:

- suppliers selected on the basis of their capacity to provide quality, service, timely delivery and value for money;
- viewing alternative purchasing options online and direct through suppliers in order to find the best value;
- consulting other local schools to know about issues with products / services before making purchases;
- considering whether the purchase is really necessary, assessing the costs and benefits;
- three written quotes for goods or services in excess of £5,000;
- competitive tendering procedures for major purchases and contracts; and
- procedures for accepting *best value* quotes, which are not necessarily the cheapest (eg suitability for purpose and quality of workmanship).

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The school business manager has been influential in driving down costs through better procurement and negotiation throughout the year including the; catering contract, cleaning contract, grounds maintenance contract, ICT contracts and property management.

The school reviews contracts on an annual basis to ensure they are still fit for purpose and represent best value. The school business manager consulted other local schools as part of the tendering process for grounds maintenance. A new contract was awarded which is working very well and takes place at better value.

Competitive tendering processes were followed for the capital projects which took place over the summer term. A new Science Lab has been created within the Sixth form, an English intervention and study area is now in place and preparation for a refurbishment of main school reception has started to incorporate the reorganisation of school administration.

The school business manager does not waste time and resources on investigating minor areas where few improvements and savings can be achieved as the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Better income generation:

Opportunities have been taken to explore and generate additional and reliable revenue streams. The trust is fully committed to providing an excellent resource to its local community and has hired the school facilities in the evenings and weekends which has generated an additional and regular income source, as well as been a benefit to the local community. Additional income was sourced from hiring the facilities for a week during the school holidays for an art exhibition which did not attract any additional expenditure costs as the site staff were already contracted to work the hours.

Academy staff delivered PE lessons and school sport, sharing good practice and providing continued professional development for staff in three primary schools. The academy invested funds in risk free deposit accounts to maximise bank interest where cash flow allowed.

Reviewing controls and managing risks:

The accounting officer, school leaders and trustees assessed the major risks to which the academy was exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The school leaders implemented a number of systems to assess risks that the academy faced, 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 finance. They introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Adequate insurance cover was arranged for areas where significant financial risk may still have applied e.g. governor liability Insurance.

The academy appointed a responsible officer under a reciprocal arrangement with Urmston Grammar School which provided the accounting officer and the board of trustees with on-going independent assurance that:

- the financial responsibilities of the board of trustees are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

Haines Watts were appointed as external auditors as agreed with the board of trustees. The accounting officer, budget holders, school leaders and trustees received regular budget reports which were scrutinised and challenged to ensure the most effective use of resources were used to meet the objectives of the trust.

Insurance levels were reviewed and used cost-effectively to manage risks. Professional strategic advice has also been sought from the HR provider to assist with managing risk.

The trust has an investment policy and moved balances to a high interest deposit account to ensure maximum returns on surplus balances. The trustees reviewed the reserve levels of the academy, which encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer and trustees determined that an appropriate level of free reserves be maintained, equivalent to one month of the GAG, approximately £400k. The reason for this was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to plan for future capital projects.

Reviewing operations to maximise use of resources

The accounting officer, school leaders and trustees reviewed expenditure within each budget heading and made adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and strategies identified in the Academy Development Plan.

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 ongoing process designed to identify and prioritise the risks to the achievement of the academy's 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 Altrincham College of Arts for the year ended 31 August 2015 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 operation, 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2015 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 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular review by the Finance, Premises and Audit 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 defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Mrs Joanne Daley, Urmston Grammar School, as responsible officer (RO) under a reciprocal arrangement. The RO's role includes giving advice in financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

The responsible officer completed the most recent review in 29 April 2015 and reported that the academy's finance department was well managed and organised.

ALTRINCHAM COLLEGE OF ARTS

GOVERNANCE STATEMENT (CONTINUED)

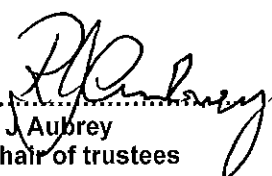
FOR THE YEAR ENDED 31 AUGUST 2015

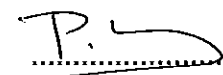
Review of effectiveness

As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the leadership team within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Finance, Premises and Audit Committee;
- the work of the responsible officer; and
- the work of the external auditors.

Approved by order of the members of the board of trustees on 2 December 2015 and signed on its behalf by:


.....
R J Aubrey
Chair of trustees


.....
P R Brooks
Headteacher and accounting officer

ALTRINCHAM COLLEGE OF ARTS

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Altrincham College of Arts 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.

I confirm that I and the academy trust's 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.

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 EFA.

Approved on 2 December 2015 and signed by:


.....

P R Brooks
Accounting officer

ALTRINCHAM COLLEGE OF ARTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

In preparing these accounts, the trustees are required to:

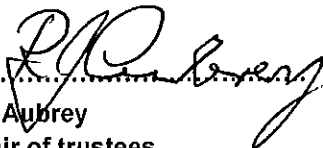
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 2 December 2015 and signed on its behalf by:

.....
R J Aubrey
Chair of trustees

ALTRINCHAM COLLEGE OF ARTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTRINCHAM COLLEGE OF ARTS

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the accounts of Altrincham College of Arts for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees, who are also the directors of Altrincham College of Arts for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

ALTRINCHAM COLLEGE OF ARTS

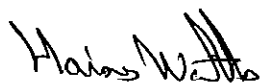
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTRINCHAM COLLEGE OF ARTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

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



John Whittick BSc FCA (Senior Statutory Auditor)

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 2/9/15

ALTRINCHAM COLLEGE OF ARTS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTRINCHAM COLLEGE OF ARTS AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altrincham College of Arts during the period 1 September 2014 to 31 August 2015 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 Altrincham College of Arts and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Altrincham College of Arts and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Altrincham College of Arts and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Altrincham College of Arts' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Altrincham College of Arts' funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

ALTRINCHAM COLLEGE OF ARTS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTRINCHAM COLLEGE OF ARTS AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 22/05/2015

ALTRINCHAM COLLEGE OF ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £(000)	Restricted funds £(000)	Fixed Asset funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	3	24	-	27	19
- Activities for generating funds	3	128	277	-	405	310
- Investment income	4	3	-	-	3	5
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	5,595	52	5,647	5,539
Total incoming resources		134	5,896	52	6,082	5,873
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	70	5,934	260	6,264	6,275
Governance costs	8	-	23	-	23	15
Total resources expended	6	70	5,957	260	6,287	6,290
Net incoming/(outgoing) resources before transfers		64	(61)	(208)	(205)	(417)
Gross transfers between funds		(173)	-	173	-	-
Net income/(expenditure) for the year		(109)	(61)	(35)	(205)	(417)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(15)	-	(15)	(224)
Net movement in funds		(109)	(76)	(35)	(220)	(641)
Fund balances at 1 September 2014		848	(532)	10,522	10,838	11,479
Fund balances at 31 August 2015		739	(608)	10,487	10,618	10,838

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

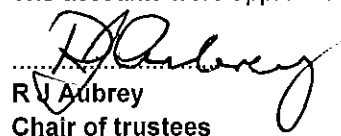
ALTRINCHAM COLLEGE OF ARTS

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £(000)	2014 £(000)
Fixed assets			
Tangible assets	11	10,487	10,522
Current assets			
Debtors	12	189	162
Cash at bank and in hand		942	973
		<u>1,131</u>	<u>1,135</u>
Current liabilities			
Creditors: amounts falling due within one year	13	<u>(392)</u>	<u>(287)</u>
Net current assets		<u>739</u>	<u>848</u>
Net assets excluding pension liability		<u>11,226</u>	<u>11,370</u>
Defined benefit pension liability	16	<u>(608)</u>	<u>(532)</u>
Net assets		<u>10,618</u>	<u>10,838</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		10,487	10,522
- Pension reserve		<u>(608)</u>	<u>(532)</u>
Total restricted funds		<u>9,879</u>	<u>9,990</u>
Unrestricted Income funds	15	<u>739</u>	<u>848</u>
Total funds		<u>10,618</u>	<u>10,838</u>

The accounts were approved by order of the board of trustees and authorised for issue on 2 Decemer 2015.


 R J Aubrey
 Chair of trustees

Company Number 08137701

ALTRINCHAM COLLEGE OF ARTS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £(000)	2014 £(000)
Net cash inflow/(outflow) from operating activities	18	139	98
Returns on investments and servicing of finance			
Investment income	3	5	
Net cash inflow/(outflow) from returns on investments and servicing of finance		3	5
		142	103
Capital expenditure and financial investments			
Capital grants received	52	19	
Payments to acquire tangible fixed assets	(225)	(210)	
Net cash flow from capital activities		(173)	(191)
Increase/(decrease) in cash	19	(31)	(88)

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 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 one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

1.6 Leasing and hire purchase commitments

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

1.7 Taxation

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

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.8 Pensions benefits

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

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 quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

1.10 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

2 Voluntary income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Other donations	3	24	27	19

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Hire of facilities	23	-	23	28
Catering income	-	277	277	181
Educational trips	71	-	71	78
Other income	34	-	34	23
	<u>128</u>	<u>277</u>	<u>405</u>	<u>310</u>

4 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Short term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>5</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
DfE / EFA grants				
General annual grant (GAG)	-	5,259	5,259	5,033
Capital grants	-	20	20	19
Other DfE / EFA grants	-	260	260	285
	<u>-</u>	<u>5,539</u>	<u>5,539</u>	<u>5,337</u>
Other government grants				
Local authority grants	-	108	108	202
	<u>-</u>	<u>108</u>	<u>108</u>	<u>202</u>
Total funding	<u>-</u>	<u>5,647</u>	<u>5,647</u>	<u>5,539</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2015 £(000)	Total 2014 £(000)
Academy's educational operations					
- Direct costs	4,014	234	612	4,860	4,851
- Allocated support costs	417	122	865	1,404	1,424
	<u>4,431</u>	<u>356</u>	<u>1,477</u>	<u>6,264</u>	<u>6,275</u>
Other expenditure					
Governance costs	-	-	23	23	15
	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>	<u>15</u>
Total expenditure	<u>4,431</u>	<u>356</u>	<u>1,500</u>	<u>6,287</u>	<u>6,290</u>
Net income/(expenditure) for the year includes:				2015 £(000)	2014 £(000)
Operating leases					
- Plant and machinery				14	14
Fees payable to auditor					
- Audit				6	6
- Other services				3	3
				<u>14</u>	<u>14</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Direct costs				
Teaching and educational support staff costs	-	3,987	3,987	3,905
Depreciation	-	234	234	252
Technology costs	-	168	168	204
Educational supplies and services	70	150	220	220
Examination fees	-	92	92	83
Staff development	-	27	27	37
Educational consultancy	-	92	92	113
Other direct costs	-	40	40	37
	<u>70</u>	<u>4,790</u>	<u>4,860</u>	<u>4,851</u>
Allocated support costs				
Support staff costs	-	353	353	373
Depreciation	-	26	26	27
Pension costs due to ill health	-	84	84	-
Maintenance of premises and equipment	-	96	96	219
Cleaning	-	98	98	113
Energy costs	-	93	93	94
Rent and rates	-	61	61	71
Insurance	-	36	36	36
Security and transport	-	24	24	31
Catering	-	358	358	295
Additional pension costs	-	61	61	41
Other support costs	-	114	114	124
	<u>-</u>	<u>1,404</u>	<u>1,404</u>	<u>1,424</u>
Total costs	<u>70</u>	<u>6,194</u>	<u>6,264</u>	<u>6,275</u>

8 Governance costs

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2015 £(000)	Total 2014 £(000)
Legal and professional fees	-	15	15	7
Auditor's remuneration	-	6	6	6
- Audit of financial statements	-	2	2	2
Other governance costs	-	23	23	15
	<u>-</u>	<u>23</u>	<u>23</u>	<u>15</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £(000)	2014 £(000)
Wages and salaries	3,543	3,453
Social security costs	269	261
Other pension costs	562	524
	<u>4,374</u>	<u>4,238</u>
Supply teacher costs	30	81
Staff development and other staff costs	27	37
	<u>4,431</u>	<u>4,356</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	64	62
Administration and support	38	40
Management	8	8
	<u>110</u>	<u>110</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	2
	£(000)	<u>22</u>	<u>22</u>
Local Government Pension Scheme	Numbers	-	-
	£(000)	<u>-</u>	<u>-</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £nil (2014: £29) were reimbursed to no trustees (2014: 1 trustees).

The value of trustees' remuneration was as follows:

P Brooks (Principal)

Salary £90,001 - £95,000 (2014: £90,001-£95,000)

Employers Pension Contributions £10,001 - £15,000 (2014: £10,001-£15,000)

A Eastwood (Staff trustee)

Salary £50,001 - £55,000 (2014: £50,001-£55,000)

Employers Pension Contributions £5,001 - £10,000 (2014: £5,001-£10,000)

J Kevan (Staff trustee)

Salary £45,001 - £50,000 (2014: £40,001-£45,000)

Employers Pension Contributions £5,001 - £10,000 (2014: £5,001-£10,000)

A Floodgate (Staff trustee)

Resigned 22/10/2014

Salary £1 - £5,000 (2014:£20,001-£25,000)

Employers Pension Contributions £1 - £5,000 (2014: £1-£5,000)

D Lewis (Staff trustee)

Appointed 01/09/2014

Salary £25,001 - £30,000

Employers Pension Contributions £1 - £5,000

R Beattie (Staff trustee) Appointed 01/12/2014

Salary £30,001 - £35,000

Employers Pension Contribution £1 - £5,000

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the insurance premium.

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)
Cost				
At 1 September 2014	10,488	196	371	11,055
Additions	-	40	185	225
At 31 August 2015	10,488	236	556	11,280
Depreciation				
At 1 September 2014	312	151	70	533
Charge for the year	156	44	60	260
At 31 August 2015	468	195	130	793
Net book value				
At 31 August 2015	10,020	41	426	10,487
At 31 August 2014	10,176	45	301	10,522

12 Debtors

	2015 £(000)	2014 £(000)
Trade debtors	1	1
VAT recoverable	57	45
Prepayments and accrued income	131	116
	189	162

13 Creditors: amounts falling due within one year

	2015 £(000)	2014 £(000)
Trade creditors	113	135
Other creditors	10	-
Accruals	240	133
Deferred income	29	19
	392	287

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income			2015	2014	
				£(000)	£(000)	
	Deferred income is included within:					
	Creditors due within one year			29	19	
	Total deferred income at 1 September 2014			19	-	
	Amounts credited to the statement of financial activities			(19)	-	
	Amounts deferred in the year			29	19	
	Total deferred income at 31 August 2015			29	19	
15	Funds					
		Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
		September 2014	resources	expended	& transfers	August 2015
		£(000)	£(000)	£(000)	£(000)	£(000)
	Restricted general funds					
	General Annual Grant	-	5,259	(5,203)	(56)	-
	Other DfE / EFA grants	-	260	(260)	-	-
	Other government grants	-	76	(76)	-	-
	Other restricted funds	-	301	(357)	56	-
	Funds excluding pensions	-	5,896	(5,896)	-	-
	Pension reserve	(532)	-	(61)	(15)	(608)
		(532)	5,896	(5,957)	(15)	(608)
	Restricted fixed asset funds					
	DfE / EFA capital grants	33	52	(1)	-	84
	Inherited fixed asset fund	10,280	-	(254)	-	10,026
	Private sector capital sponsorship	209	-	(5)	173	377
		10,522	52	(260)	173	10,487
	Total restricted funds	9,990	5,948	(6,217)	158	9,879
	Unrestricted funds					
	General funds	848	134	(70)	(173)	739
	Total funds	10,838	6,082	(6,287)	(15)	10,618

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

16 Pensions 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 Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 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 of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £367,095 (2014: £351,920).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.1 per cent for employers and 5.5 to 5.9 per cent for employees. The estimated value of employer contributions for the forthcoming year is £130,000.

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.

Contributions made	2015 £(000)	2014 £(000)
Employer's contributions	130	126
Employees' contributions	43	43
Total contributions	173	169
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.9	3.8
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

Expected return on assets	3.8	5.5
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The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Change in assumptions at 31 August 2015	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	13%	222
1 year increase in member life expectancy	3%	53
0.5% increase in the salary increase rate	7%	120
0.5% increase in the pension increase rate	5%	95

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

	2015 Years	2014 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

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

	2015 Expected return %	2015 Fair value £(000)	2014 Expected return %	2014 Fair value £(000)
Equities	6.3	1,031	6.3	875
Bonds	3.2	258	3.2	222
Property	4.5	86	4.5	74
Other assets	3.3	57	3.3	62
Total market value of assets		1,432		1,233
Present value of scheme liabilities - funded		(2,040)		(1,765)
Net pension asset / (liability)		(608)		(532)

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £30,000.

Amounts recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Operating costs/(income)		
Current service cost (net of employee contributions)	194	167
Past service cost	-	-
	<u>194</u>	<u>167</u>
Total operating charge	<u>194</u>	<u>167</u>
Finance costs/(income)		
Expected return on pension scheme assets	(73)	(61)
Interest on pension liabilities	70	61
	<u>(3)</u>	<u>-</u>
Net finance costs/(income)	<u>(3)</u>	<u>-</u>
Total charge/(income)	<u>191</u>	<u>167</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

Actuarial gains and losses recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Actuarial (gains)/losses on assets: actual return less expected	43	(68)
Experience (gains)/losses on liabilities	(28)	292
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	15	224
Cumulative (gains)/losses to date	186	171

Movements in the present value of defined benefit obligations

	2015 £(000)	2014 £(000)
Obligations at 1 September 2014	(1,765)	(1,225)
Current service cost	(194)	(167)
Interest cost	(70)	(61)
Contributions by employees	(43)	(43)
Actuarial gains/(losses)	28	(292)
Benefits paid	4	23
At 31 August 2015	(2,040)	(1,765)

Movements in the fair value of scheme assets

	2015 £(000)	2014 £(000)
Assets at 1 September 2014	1,233	958
Expected return on assets	73	61
Actuarial gains/(losses)	(43)	68
Contributions by employers	130	126
Contributions by employees	43	43
Benefits paid	(4)	(23)
At 31 August 2015	1,432	1,233

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

History of experience gains and losses

	2015 £(000)	2014 £(000)	2013 £(000)
Present value of defined benefit obligations	(2,040)	(1,765)	(1,225)
Fair value of share of scheme assets	1,432	1,233	958
Surplus / (deficit)	<u>(608)</u>	<u>(532)</u>	<u>(267)</u>
Experience adjustment on scheme assets	(43)	68	82
Experience adjustment on scheme liabilities	<u>(1)</u>	<u>(86)</u>	<u>-</u>

17 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	10,487	10,487
Current assets	1,131	-	-	1,131
Creditors falling due within one year	(392)	-	-	(392)
Defined benefit pension liability	-	(608)	-	(608)
	<u>739</u>	<u>(608)</u>	<u>10,487</u>	<u>10,618</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £(000)	2014 £(000)
Net income	(205)	(417)
Capital grants and similar income	(52)	(19)
Investment income	(3)	(5)
Defined benefit pension costs less contributions payable	64	39
Defined benefit pension finance costs/(income)	(3)	-
Depreciation of tangible fixed assets	260	279
(Increase)/decrease in debtors	(27)	286
Increase/(decrease) in creditors	105	(65)
Net cash inflow/(outflow) from operating activities	<u>139</u>	<u>98</u>

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19	Reconciliation of net cash flow to movement in net funds	2015	2014
		£(000)	£(000)
	Increase/(decrease) in cash	(31)	(88)
	Net funds at 1 September 2014	973	1,061
		<hr/>	<hr/>
	Net funds at 31 August 2015	942	973
		<hr/>	<hr/>

20	Analysis of net funds	At 1 September	Cash flows	Non-cash	At 31 August
		2014		changes	2015
		£(000)	£(000)	£(000)	£(000)
	Cash at bank and in hand	973	(31)	-	942
		<hr/>	<hr/>	<hr/>	<hr/>

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£(000)	£(000)
Expiry date:		
- Within one year	1	5
- Between two and five years	11	15
	<hr/>	<hr/>
	12	20
	<hr/>	<hr/>

22 Capital commitments

	2015	2014
	£(000)	£(000)
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	26	-
	<hr/>	<hr/>

The academy has entered into a commitment for a new ground floor reception area and its furnishings. The project is due to be carried out in October 2015.

ALTRINCHAM COLLEGE OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Related parties

Owing to the nature of the academy trust's operations 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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account: The academy used the services of Ravenstone Cabs Limited for transporting pupils. A director of Ravenstone Cabs Limited is the husband of one of the academy trustees. The total of the transactions with this company was £1,450 (2014: £5,233). The trustee resigned on 22 October 2014.

24 Members' liability

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

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £11,143 and disbursed £13,126 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that are repayable to the EFA.