

**ALTRINCHAM COLLEGE OF ARTS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Haines Watts**  
Bridge House  
Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# **ALTRINCHAM COLLEGE OF ARTS**

## **CONTENTS**

***FOR THE YEAR ENDED 31 AUGUST 2014***

---

	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 – 9
Statement on regularity, propriety and compliance	10
Statement of trustees' responsibilities	11
Independent auditor's report on the accounts	12 – 13
Independent reporting accountant's report on regularity	14 – 15
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the accounts	19 – 35

---

# ALTRINCHAM COLLEGE OF ARTS

## REFERENCE AND ADMINISTRATIVE DETAILS

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Trustees

R J Aubrey (Chair of trustees) \*  
P R Brooks (Headteacher and accounting officer) \*  
J E Brophy  
A U Catterall (Resigned 4 April 2014)  
M Collier \*  
R S Cornish \*  
A Eastwood  
M English \*  
A Floodgate  
L A Goodchild  
S Hodges  
J P Kevan  
E J Lane  
M Lucas  
P Schofield (Resigned 21 October 2014)  
D Slack  
H A Stevenson  
S G Wildman  
M D P Young  
C Bell (Appointed 25 November 2013)  
T Hague (Appointed 25 November 2013)

\* 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 2014**

---

The trustees present their report with the financial statements of the charitable company for the period ended 31 August 2014.

### **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.

#### 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 2014 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 2014**

---

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.

#### **Connected organisations, including related party relationships**

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 2014

---

#### Objectives, strategies and activities

The academy's objective for the period ended 31 August 2014 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 2014 was 923.
- Admissions: The academy is currently under-subscribed by approximately 9% 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 one permanent exclusion during the period from 1 September 2013 to 31 August 2014. During the same period there were nine fixed term exclusions.
- Staffing: The average number of (full time equivalent) staff employed during the year to 31 August 2014 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.

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	2010	2011	2012	2013	2014
% 5+ A* - C inc Eng & Maths	46	59	47	48	62
% 5+ A* - C English	51	64	49	53	75
% 5+ A* - C Maths	66	69	68	72	72
% 5+ A* - C E Bacc	n/a	14	5	12	13
% 5+ A* - G	92	96	96	98	98

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

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 2014

---

Our inspection judgements were:

• <b>Overall effectiveness</b>	<b>OUTSTANDING</b>
• 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

The Fischer Family Trust is the adopted performance measure and target monitoring tool and is used for Key Stages 3 and 4. The targets provided by the Fischer Family Trust take into account past performance and the profile of student intake.

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 2014, performance has consistently exceeded FFT estimates.

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. Targets are set depending on the level of difficulty of each L3 course being studied.

To analyse data, the Sixth Form PANDA (Performance and Assessment) report and the L3 value added progress measure it contains is the key source of evidence used for evaluating sixth form performance. Sixth form performance in 2013 for students on academic courses was slightly below the national average and for students on vocational courses, slightly above the national average. This will be updated for 2014 results in December 2014.

Whole school attendance for 2013/14 was at 95.1%, against a national average for 2013 of 94.1%.

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 2014 demonstrates total income of £5,873,000 with a deficit at 31 August 2014 of £417,000. The deficit has been 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 2014**

---

Reserves carried forward at 31 August 2014 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 £848,000.

#### **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 2014. As yet no adjustment has been made to the contributions rate to pay off this deficit.

#### **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 2014-15 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 improve student literacy skills through intensified whole school focus and a co-ordinated, targeted approach to fast track literacy boosters, for those students below average age expectations.
4. To maintain the quality of teaching so that 95% of all lessons are good or better, 40% are outstanding and there is 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. To foster and maintain school ethos where virtually all students display a consistently good attitude and behave respectfully, impacting on increased independence in learning.
7. To enhance students and staff sense of commitment, belonging and responsibility to the academy community.
8. Raise awareness of current safeguarding/child protection legislation, ensuring all policies are evident in practice and impacting on high attendance and punctuality.
9. To implement a CPD programme that equips staff to embrace and successfully implement planned educational change.
10. To develop and implement a KS2-4 assessment, tracking and monitoring system, replacing NC levels.



# ALTRINCHAM COLLEGE OF ARTS

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

11. To implement a comprehensive Aspire/Aspire 6 programme impacting on student aspirations and increased A\* - B grades.
12. To develop the culture of Diagnosis Therapy Testing (DTT) as an integral part of teaching and learning.

Targets for 2014-15 agreed by the board of trustees include:

- |  |     |
|--|-----|
| • 5+A* - C including English & Maths           | 60% |
| • KS2-4 expected levels of progress in English | 70% |
| • KS2-4 expected levels of progress in Maths   | 70% |
| • Whole school attendance                      | 96% |

### 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 ..... *3<sup>rd</sup> December 2014* and signed on its behalf by:

.....  
*R J Aubrey*  
R J Aubrey  
Chair of trustees

# ALTRINCHAM COLLEGE OF ARTS

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### 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
Mrs A Bell	3	3
Mr P Brooks	3	3
Cllr Mrs J Brophy	1	3
Mrs A Catterall	2	2
Mr M Collier	3	3
Mr R S Cornish	3	3
Mr A Eastwood	3	3
Mr M English	3	3
Mrs A Floodgate	2	3
Ms L A Goodchild	3	3
Mr T Hague	3	3
Mr S Hodges	3	3
Mr J Kevan	3	3
Rev E Lane	1	3
Mrs M Lucas JP	2	3
Dr P Schofield	3	3
Mr D Slack	1	3
Mrs H A Stevenson	2	3
Mrs S Wildman	2	3
Cllr M Young	3	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	4	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	3	3

# ALTRINCHAM COLLEGE OF ARTS

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

---

### 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 2014 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 2014 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 The Association of School and College Leaders (ASCL), as responsible officer (RO). 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.

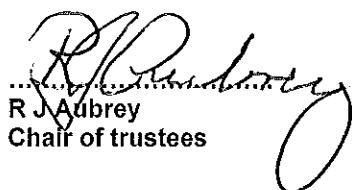
The responsible officer completed the most recent review in March 2014 and reported that that the academy's finance department was well managed and organised.

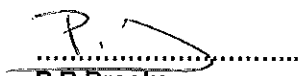
### Review of effectiveness

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 31.12.14 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 2014**

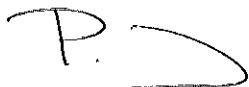
---

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 Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the 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.

Approved on 3/12/14 and signed by:



**P R Brooks**  
Accounting officer

# ALTRINCHAM COLLEGE OF ARTS

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

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:

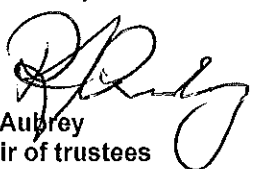
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 31/12/14 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 2014***

---

We have audited the accounts of Altrincham College of Arts for the year ended 31 August 2014 which comprise income and expenditure account and 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 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 11, 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 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)

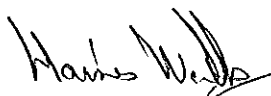
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### 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 (Senior Statutory Auditor)**

**Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated:  .....

# **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 2014***

---

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, 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 2013 to 31 August 2014 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 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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. 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 2013 to 31 August 2014 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 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)

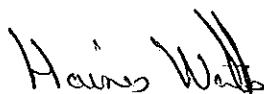
**FOR THE YEAR ENDED 31 AUGUST 2014**

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Haines Watts

Dated: ..... 3 MAY .....

# 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 2014

	Notes	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset fund £(000)	Total 2014 £(000)	Total 2013 £(000)
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	5	14	-	19	1
- Inherited on conversion		-	-	-	-	11,509
- Activities for generating funds	3	129	181	-	310	325
- Investment income	4	5	-	-	5	1
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	5,520	19	5,539	6,015
<b>Total incoming resources</b>		<b>139</b>	<b>5,715</b>	<b>19</b>	<b>5,873</b>	<b>17,851</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	85	5,911	279	6,275	6,405
Governance costs	8	-	15	-	15	20
<b>Total resources expended</b>	<b>6</b>	<b>85</b>	<b>5,926</b>	<b>279</b>	<b>6,290</b>	<b>6,425</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>54</b>	<b>(211)</b>	<b>(260)</b>	<b>(417)</b>	<b>11,426</b>
Gross transfers between funds		(213)	20	193	-	-
<b>Net income/(expenditure) for the year</b>		<b>(159)</b>	<b>(191)</b>	<b>(67)</b>	<b>(417)</b>	<b>11,426</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(224)	-	(224)	53
<b>Net movement in funds</b>		<b>(159)</b>	<b>(415)</b>	<b>(67)</b>	<b>(641)</b>	<b>11,479</b>
Fund balances at 1 September 2013		1,007	(117)	10,589	11,479	-
<b>Fund balances at 31 August 2014</b>		<b>848</b>	<b>(532)</b>	<b>10,522</b>	<b>10,838</b>	<b>11,479</b>

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 2014

	Notes	2014 £(000)	2013 £(000)
<b>Fixed assets</b>			
Tangible assets	11	10,522	10,589
<b>Current assets</b>			
Debtors	12	162	448
Cash at bank and in hand		973	1,061
		1,135	1,509
Creditors: amounts falling due within one year	13	(287)	(352)
<b>Net current assets</b>		848	1,157
<b>Total assets less current liabilities</b>		11,370	11,746
Defined benefit pension liability	17	(532)	(267)
<b>Net assets</b>		10,838	11,479
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	15		
- Fixed asset funds		10,522	10,589
- General funds		-	150
- Pension reserve		(532)	(267)
<b>Total restricted funds</b>		9,990	10,472
<b>Unrestricted funds</b>	15	848	1,007
<b>Total funds</b>		10,838	11,479

The accounts were approved by order of the board of trustees and authorised for issue on 3.12.14

R J Aubrey

Chair of trustees

Company Number 08137701

# ALTRINCHAM COLLEGE OF ARTS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £(000)	2013 £(000)
Net cash inflow/(outflow) from operating activities	18	98	626
Returns on investments and servicing of finance			
Investment income	5	1	
Net cash inflow/(outflow) from returns on investments and servicing of finance		5	1
		103	627
Capital expenditure and financial investments			
Capital grants received	19	490	
Payments to acquire tangible fixed assets	(210)	(56)	
Net cash flow from capital activities		(191)	434
Increase/(decrease) in cash	19	(88)	1,061

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2014

---

#### **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 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, ie 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 2014

---

### 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 over its expected useful life, as follows:

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

#### 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 2014

### 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 17, 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/sponsor/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.

### 2 Voluntary income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Other donations	5	14	19	1

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 3 Activities for generating funds

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Hire of facilities	28	-	28	32
Catering income	-	181	181	181
Educational trips	78	-	78	91
Other income	23	-	23	21
	<u>129</u>	<u>181</u>	<u>310</u>	<u>325</u>

### 4 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Short term deposits	<u>5</u>	<u>-</u>	<u>5</u>	<u>1</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	5,033	5,033	4,948
Start up grants	-	-	-	25
Capital grants	-	19	19	490
Other DfE / EFA grants	-	285	285	244
	<u>-</u>	<u>5,337</u>	<u>5,337</u>	<u>5,707</u>
<b>Other government grants</b>				
Local authority grants	<u>-</u>	<u>202</u>	<u>202</u>	<u>308</u>
<b>Total funding</b>	<u>-</u>	<u>5,539</u>	<u>5,539</u>	<u>6,015</u>



# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2014 £(000)	Total 2013 £(000)
<b>Academy's educational operations</b>					
- Direct costs	3,942	252	657	4,851	4,606
- Allocated support costs	414	246	764	1,424	1,799
	<u>4,356</u>	<u>498</u>	<u>1,421</u>	<u>6,275</u>	<u>6,405</u>
<b>Other expenditure</b>					
Governance costs	-	-	15	15	20
	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>20</u>
<b>Total expenditure</b>	<u>4,356</u>	<u>498</u>	<u>1,436</u>	<u>6,290</u>	<u>6,425</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2014 £(000)</b>	<b>2013 £(000)</b>
Operating leases					
- Plant and machinery				14	12
Fees payable to auditor					
- Audit				6	5
- Other services				3	4
				<u>6</u>	<u>4</u>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,905	3,905	3,707
Depreciation	-	252	252	229
Technology costs	-	204	204	122
Educational supplies and services	85	135	220	219
Examination fees	-	83	83	103
Staff development	-	37	37	30
Educational consultancy	-	113	113	124
Other direct costs	-	37	37	72
	<u>85</u>	<u>4,766</u>	<u>4,851</u>	<u>4,606</u>
<b>Allocated support costs</b>				
Support staff costs	-	373	373	333
Depreciation	-	27	27	25
Maintenance of premises and equipment	-	219	219	616
Cleaning	-	113	113	114
Energy costs	-	94	94	98
Rent and rates	-	71	71	50
Insurance	-	36	36	34
Security and transport	-	31	31	32
Catering	-	295	295	311
Additional pension costs	-	41	41	36
Other support costs	-	124	124	150
	<u>-</u>	<u>1,424</u>	<u>1,424</u>	<u>1,799</u>
<b>Total costs</b>	<u>85</u>	<u>6,190</u>	<u>6,275</u>	<u>6,405</u>

### 8 Governance costs

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Legal and professional fees	-	7	7	14
Auditor's remuneration				
- Audit of financial statements	-	6	6	6
Other governance costs	-	2	2	-
	<u>-</u>	<u>15</u>	<u>15</u>	<u>20</u>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 9 Staff costs

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:

	2014 Number	2013 Number
Teachers	62	58
Administration and support	40	41
Management	8	8
	<u>110</u>	<u>107</u>

#### Costs included within the accounts:

	2014 £(000)	2013 £(000)
Wages and salaries	3,453	3,284
Social security costs	261	249
Other pension costs	524	512
	<u>4,238</u>	<u>4,045</u>
Supply teacher costs	81	25
Staff development and other staff costs	37	30
	<u>4,356</u>	<u>4,100</u>

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

	2014 Number	2013 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:

		2014	2013
Teachers' Pension Scheme	Numbers	2	2
	£(000)	<u>22</u>	<u>22</u>
Local Government Pension Scheme	Numbers	-	-
	£(000)	<u>-</u>	<u>-</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,926 (2013: £nil). Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £16,063 and £6,355.

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 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 (2013: £29) were reimbursed to no trustees (2013: 1 trustees).

The value of trustees' remuneration was as follows:

P Brooks (principal)	£90,001 - £95,000	(2013: £90,001-£95,000)
A Eastwood (staff trustee)	£50,001 - £55,000	(2013: £45,001-£50,000)
J Kevan (staff trustee)	£40,001 - £45,000	(2013: £40,001-£45,000)
A Catterall (staff trustee)	£35,001 - £40,000	(2013: £35,001-£40,000)
A Floodgate (staff trustee)	£20,001 - £25,000	(2013: £20,001-£25,000)

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 2014 is included in the insurance premium.

#### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)
<b>Cost</b>				
At 1 September 2013	10,488	196	161	10,845
Additions	-	-	210	210
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	10,488	196	371	11,055
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 September 2013	156	74	24	254
Charge for the year	156	77	46	279
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	312	151	70	533
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 August 2014	10,176	45	301	10,522
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2013	10,332	122	135	10,589
	<hr/>	<hr/>	<hr/>	<hr/>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>12 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£(000)</b>	<b>£(000)</b>
Trade debtors	1	1
VAT recoverable	45	63
Prepayments and accrued income	116	384
	<u>162</u>	<u>448</u>
 <b>13 Creditors: amounts falling due within one year</b>	 <b>2014</b>	 <b>2013</b>
	<b>£(000)</b>	<b>£(000)</b>
Trade creditors	135	85
Accruals	133	267
Deferred income	19	-
	<u>287</u>	<u>352</u>
 <b>14 Deferred income</b>	 <b>2014</b>	 <b>2013</b>
	<b>£(000)</b>	<b>£(000)</b>
Deferred income is included within:		
Creditors due within one year	<u>19</u>	<u>-</u>
 Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	(4)	-
Amounts deferred in the year	<u>19</u>	<u>4</u>
 Total deferred income at 31 August 2014	<u>15</u>	<u>4</u>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Funds

	Balance at 1 September 2013 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2014 £(000)
<b>Restricted general funds</b>					
General Annual Grant	88	5,033	(5,089)	(32)	-
Other DfE / EFA grants	62	285	(285)	(62)	-
Other government grants	-	202	(202)	-	-
Other restricted funds	-	195	(309)	114	-
	<u>150</u>	<u>5,715</u>	<u>(5,885)</u>	<u>20</u>	<u>-</u>
Funds excluding pensions	(267)	-	(41)	(224)	(532)
	<u>(117)</u>	<u>5,715</u>	<u>(5,926)</u>	<u>(204)</u>	<u>(532)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	17	19	(3)	-	33
Inherited fixed asset fund	10,534	-	(254)	-	10,280
Capital expenditure form unrestricted reserves	38	-	(22)	193	209
	<u>10,589</u>	<u>19</u>	<u>(279)</u>	<u>193</u>	<u>10,522</u>
<b>Total restricted funds</b>	<u>10,472</u>	<u>5,734</u>	<u>(6,205)</u>	<u>(11)</u>	<u>9,990</u>
<b>Unrestricted funds</b>					
General funds	1,007	139	(85)	(213)	848
<b>Total funds</b>	<u>11,479</u>	<u>5,873</u>	<u>(6,290)</u>	<u>(224)</u>	<u>10,838</u>

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 2014.

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 16 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	10,522	10,522
Current assets	1,135	-	-	1,135
Creditors: amounts falling due within one year	(287)	-	-	(287)
Defined benefit pension liability	-	(532)	-	(532)
	<u>848</u>	<u>(532)</u>	<u>10,522</u>	<u>10,838</u>

### 17 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

---

#### 17 Pensions and similar obligations

##### **Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website: (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

##### **Teachers' Pension Scheme changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100 percent basis.



# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £129000.

	2014 £(000)	2013 £(000)
Employer's contributions	126	109
Employees' contributions	43	39
	<hr/>	<hr/>
Total contributions	169	148
	<hr/>	<hr/>

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.8	4.6
Rate of increase for pensions in payment	2.7	2.8
Discount rate for scheme liabilities	3.7	4.6
Expected return on assets	5.5	5.9
	<hr/>	<hr/>

#### Change in assumptions at 31 August 2014

	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

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

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

	2014 Years	2013 Years
Retiring today		
- Males	21.4	20.1
- Females	24.0	22.9
Retiring in 20 years		
- Males	24.0	22.5
- Females	26.6	25.0

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

	2014 Expected return %	2014 Fair value £(000)	2013 Expected return %	2013 Fair value £(000)
Equities	6.3	875	6.6	691
Bonds	3.2	222	3.9	172
Property	4.5	74	4.7	57
Cash	3.3	62	3.6	38
Total market value of assets		1,233		958
Present value of scheme liabilities - funded		(1,765)		(1,225)
Net pension asset / (liability)		(532)		(267)

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 £103,000.

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

#### Operating costs and income recognised in the statement of financial activities

	2014 £(000)	2013 £(000)
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(61)	(37)
Interest on pension liabilities	61	43
	<u>-</u>	<u>6</u>
<b>Other expenditure/(income)</b>		
Current service cost	167	139
Past service cost	-	-
	<u>167</u>	<u>139</u>
<b>Total operating charge/(income)</b>	<u>167</u>	<u>145</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £(000)	2013 £(000)
Actuarial (gains)/losses on assets: actual return less expected	(68)	(82)
Experience (gains)/losses on liabilities	292	29
(Gains)/losses arising from changes in assumptions	-	-
<b>Total (gains)/losses</b>	<u>224</u>	<u>(53)</u>
<b>Cumulative (gains)/losses to date</b>	<u>224</u>	<u>-</u>

#### Movements in the present value of defined benefit obligations were as follows:

	2014 £(000)	2013 £(000)
Opening defined benefit obligations	(1,225)	(975)
Current service cost	(167)	(139)
Interest cost	(61)	(43)
Contributions by employees	(43)	(39)
Actuarial gains/(losses)	(292)	(29)
Benefits paid	23	-
	<u>(1,765)</u>	<u>(1,225)</u>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

Movements in the fair value of the academy trust's share of scheme assets:

	2014 £(000)	2013 £(000)
Opening fair value of scheme assets	1,225	691
Expected return on assets	61	37
Actuarial gains/(losses)	68	82
Contributions by employers	126	109
Contributions by employees	43	39
	<u>1,523</u>	<u>958</u>

History of experience gains and losses:

	2014 £(000)	2013 £(000)
Present value of defined benefit obligations	(2,055)	(1,225)
Fair value of share of scheme assets	1,523	958
	<u>(532)</u>	<u>(267)</u>

Experience adjustment on scheme liabilities	(292)	(29)
Experience adjustment on scheme assets	68	82
	<u></u>	<u></u>

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

	2014 £(000)	2013 £(000)
Net income	(417)	11,426
Capital grants and similar income	(19)	(490)
LGPS deficit on conversion	-	284
Fixed assets transferred on conversion	-	(10,787)
Investment income	(5)	(1)
FRS17 pension costs less contributions payable	39	30
FRS17 pension finance income	-	6
Depreciation of tangible fixed assets	279	254
(Increase)/decrease in debtors	286	(448)
Increase/(decrease) in creditors	(65)	352
	<u>98</u>	<u>626</u>

# ALTRINCHAM COLLEGE OF ARTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>19 Reconciliation of net cash flow to movement in net funds</b>	<b>2014</b>	<b>2013</b>
	<b>£(000)</b>	<b>£(000)</b>
Increase/(decrease) in cash	(88)	1,061
Net funds at 1 September 2013	1,061	-
	<hr/>	<hr/>
Net funds at 31 August 2014	973	1,061
	<hr/>	<hr/>

<b>20 Analysis of net funds</b>	<b>At 1</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>At 31 August</b>
	<b>September</b>		<b>changes</b>	<b>2014</b>
	<b>2013</b>			
	<b>£(000)</b>	<b>£(000)</b>	<b>£(000)</b>	<b>£(000)</b>
Cash at bank and in hand	1,061	(88)	-	973
	<hr/>	<hr/>	<hr/>	<hr/>

### 21 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2014</b>	<b>2013</b>
	<b>£(000)</b>	<b>£(000)</b>
Expiry date:		
- Within one year	5	-
- Between two and five years	15	31
	<hr/>	<hr/>
	20	31
	<hr/>	<hr/>

### 22 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 £5,233. The services were provided on an arms length basis and the trustee has now resigned.

### 23 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.