

THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

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THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2016

Trustees:

D Battman *
 N Evans *# (resigned 31 August 2016)
 T Gartside *#
 Cllr D Haddad (resigned 31 August 2016)
 T Hall (resigned 31 August 2016)
 D Jones (resigned 31 August 2016)
 R Cummins (resigned 31 August 2016)
 K Lord (resigned 31 August 2016)
 T Lowe # (resigned 31 August 2016)
 S Kupusarevic (resigned 31 August 2016)
 D Ormesher (resigned 31 August 2016)
 A Shaw#
 M Thomson
 G Harding (Responsible officer)* (resigned 31 August 2016)
 Cllr K Barclay (resigned 31 August 2016)
 A Balfour * (resigned 31 August 2016)
 R Finlan (resigned 31 August 2016)
 T Ingham * (resigned 31 August 2016)
 S Perrett * (resigned 31 August 2016)
 R Russel-Fisher *
 R Green (appointed 24 November 2015)
 P Cowen (appointed 10 September 2015, resigned 31 August 2016)
 E Young (appointed 10 September 2015, resigned 31 August 2016)
 N Bailey (appointed 29 September 2015, resigned 31 August 2016)
 G Brady (appointed 29 September 2015)
 J Bottomley (appointed 30 September 2015)

* Members of finance committee

Subscribers to the memorandum of association

Members:

A Shaw
 T Lowe
 T Gartside
 N Evans

Senior leadership team:

Deputy head	E Hall
Assistant head	H Meadowcroft
Assistant head	S Weil
Assistant head	T Murray
Assistant head	E Thomas

Principal:

T Gartside

Bursar:

C Shield

Registered office & academy site:

The Hamblin Education Trust
 Marlborough Road, Bowdon, Altrincham, Cheshire WA14 2RS

Company registration number:

07484717

Auditors:

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

Bankers:

Lloyds Bank, Altrincham Branch

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates for pupils aged 11 to 18 serving a catchment area identified by post code or road. It has a pupil capacity of 1,250 and in January 2016 there were 1,281 on roll.

Structure, governance and management

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of The Hamblin Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Hamblin Education Trust.

Details of the trustees who served throughout the year except as noted are included in the reference and administrative details on page 1.

During this financial year trustees of the AGSB academy trust took the decision to convert to a multi academy trust (MAT). This was so that a local independent 11-18 school, North Cestrian Grammar School could join the state sector as a free school by joining this newly formed trust, namely The Hamblin Education Trust; thus providing additional school places in the Altrincham area.

Following appropriate local consultation and with the support of the Department for Education North Cestrian School joined the MAT on 31 August 2016. At this time a new structure of governance was established with a board of trustees and two local governing bodies for Altrincham Grammar School for Boys and North Cestrian School. Consequently, trustees of the former single academy trust who are not trustees of the MAT resigned their positions as trustees in order to serve on the local governing body of AGSB.

Members' liability

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

Trustees' indemnities

The insurance cover provided for trustees and officers is up to £2,000,000 on any one claim.

Principal activities

The principal object and activity of the charitable company is the operation of Altrincham Grammar School for Boys to provide education for pupils selected by ability between the ages of 11 and 18.

Method of recruitment and appointment or election of trustees

Parent trustees are appointed through a nomination and then ballot system. For teaching and support staff trustees, nominations are asked from all staff members. If there is more than one volunteer a ballot system is then used. One trustee is nominated by the local authority. The other trustees are recommended to the board of trustees from the wider local community. All trustees except the head master hold a period of office of 4 years then re-election is sought.

Policies and procedures adopted for the induction and training of trustees

On appointment all trustees receive an induction pack containing minutes of recent meetings, details of school finances, the current development plan and other information relevant to the time of appointment.

Next they meet with the head master, discuss strategic issues with him, how they view their role and the committees on which they might serve. They receive a tour of the school seeing key issues and possibilities.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

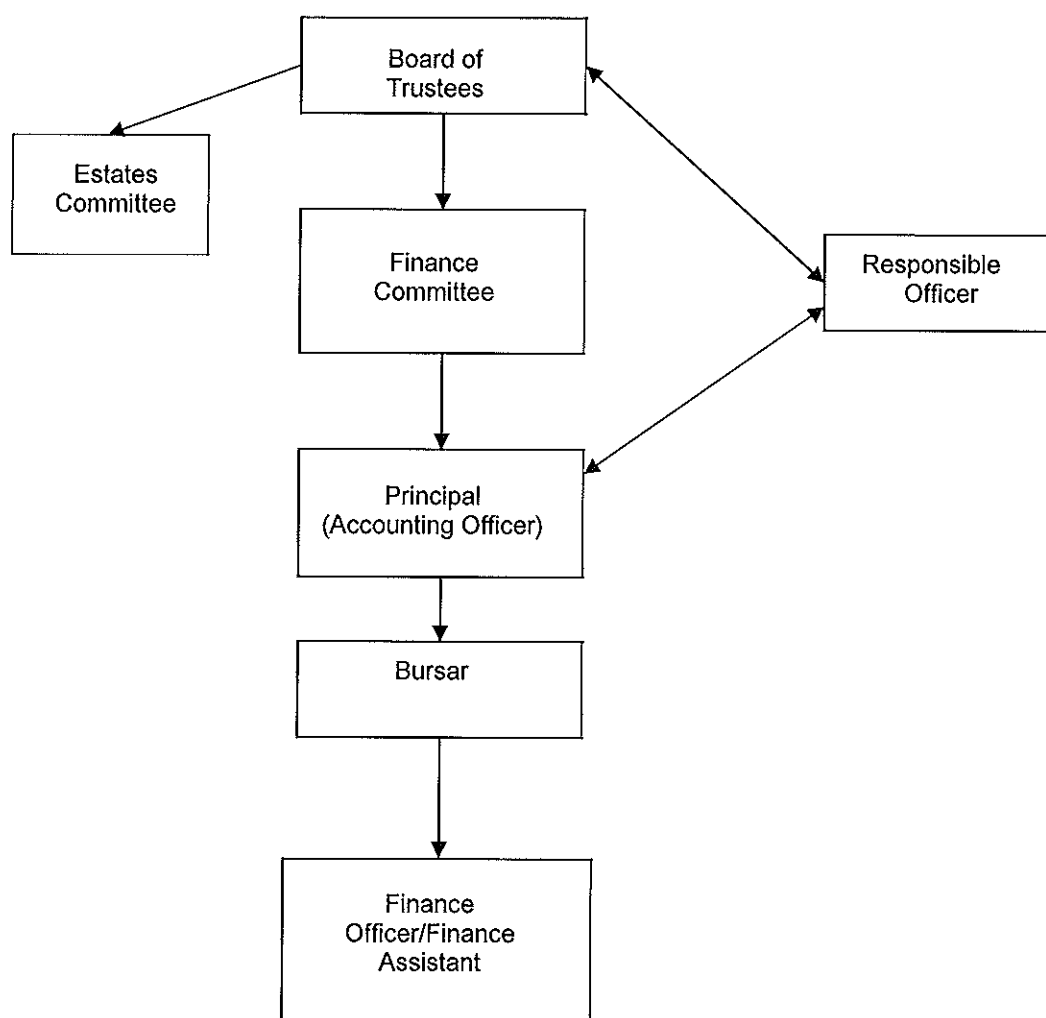
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Training

The school has a service level agreement with Trafford local authority for trustees' training. All trustees (but especially new trustees) are encouraged to attend training courses relevant to their needs. All trustees receive a copy of the LA governors' newsletter.

Organisational structure



Decision making process

Decisions made at the sub-committees are ratified by the full trustees and communicated via the head master, bursar and senior management team.

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

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

Trustees determine remuneration for senior leaders through the Pay Review Committee. The PRC receives reports on performance management of the head master from the head master's performance management committee, and, in the case of other SLT members from the head master. The PRC makes decisions based upon these reports, the position of senior staff within their pay bands and the wider impact of such decisions on the school budget.

Related parties and other connected charities and organisations

Trafford Leisure Trust holds the contract for the management of "The Grammar" sports facility out of school hours. The partnership was established in 2008 and in 2013 was reviewed by trustees and extended for a further five years. On 30 September 2015 the contract transferred to Trafford Leisure Trust.

The school is related to Audenshaw School Academy Trust, a company in which Mr T Hall is a director. The school has also been working closely in the last twelve months with North Cestrian Grammar School which will become a free school academy and join the multi academy trust (The Hamblin Education Trust) in September 2016. The school is related to Altrincham Grammar School Developments Limited, a company in which Mr Gartside, Mr Perrett, Mr Green and Mr Russel-Fisher are directors. From time to time this company makes donations to the school for the purpose of furthering its principal objective.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of The Hamblin Education Trust to provide education for pupils selected by ability between the ages of 11 and 18.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

The main objectives of the academy are summarised below: -

- to ensure that each student at the school achieves his full potential by receiving teaching and learning opportunities of the highest standard;
- to develop the learning environment by investment in new facilities and refurbishment of existing areas;
- to promote learning within a disciplined and respectful environment; and
- to promote the personal development and well-being of all employees.

Objectives, strategies and activities

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Hamblin Education Trust is a selective grammar school and offers all pupils a broad curriculum. The pupils who attend live mainly in the local area although some travel from further afield.

Public benefit

All pupils gain a place at the school based upon academic aptitude tests following the school's admissions policy which is reviewed annually. Entry is not based upon ability to pay or any criteria which discriminate against particular social groups.

The sports facilities at the school are used at the weekends and evenings by the wider community. An extensive programme of extra-curricular classes is offered to the wider community.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

In 2016 the school achieved examination results as follows: -

GCSE:	99.5% 5 A* - C (including English and Mathematics)
	68% A*/A
A Level:	79% A*/A/B
	23% A*

At GCSE level the school achieved the target set. At A Level the school missed the target set for A*/A/B by 2%.

Key performance indicators

These are:

- The number of applications for entry into the school and ability levels of students entering the school and the progress made by these students between entry into the school and GCSE. The progress made by students between GCSE and A Level.
- Examination results at the end of GCSE and A Level.
- Rates of retention between GCSE onto the sixth form and the completion rate of sixth form students.
- The school reviews other KPIs via its self-evaluation form against OFSTED criteria.

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 majority of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015) FRS102, such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

During the year ended 31 August 2016, total expenditure of £6,670,000 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year for the restricted general fund was £259,000. At 31 August 2016 the net book value of fixed assets was £11,165,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £1,897,000 which has been carried forward to 2015/16. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years. If the pension deficit and related charges were taken out, the general restricted fund would show a surplus of £87,000.

Financial and risk management objectives and policies

The objective of the school's policy is to be aware of the principal risks and to develop strategies to manage such risks through monitoring or, if necessary, direct intervention.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of the 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 1 month of the General Annual Grant (GAG), approximately £470,000. 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) is £1,164,000.

Investment policy

Funds are held on six week, three month and six month corporate market investments with Lloyds.

Principal risks and uncertainties

A review of principal risks and uncertainties highlighted reductions in sixth form funding and other reductions in some streams alongside increases to employer's national insurance and pensions contributions as the most significant risks. The school has had to make cuts in a number of budget areas which may in the longer term affect educational standards and reduce its reserves.

Plans for future periods

Trustees, staff and pupils have contributed to a School Vision which aims to maintain the highest standards of education whilst developing further school facilities for the benefit of boys and staff.

Funds held as custodian trustee on behalf of others

These funds are held on behalf of pupils for advance payments in respect of forthcoming visits/trips and are held separately in a Lloyds bank account.

Post balance sheet events

On 29 September 2015 formal agreement was reached that with effect from 1 September 2016 the school will enter into a multi-academy trust with North Cestrian Grammar School.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
- trustees reviewed the appointment of the auditors in December 2014 by going out to formal tender. The trustees decided to reappoint Haines Watts as the academy's auditor for another five years.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 November 2016 and signed on its behalf by:



.....
Mr Duncan Battman
Chair of trustees

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the head master, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Hamblin Education Trust 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 6 times during the year. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
N Evans	6	6
Cllr Barclay	5	6
D Battman (Chair)	5	6
A Balfour	4	6
R Cummins (Staff trustee)	3	6
T Ingham	3	6
S Perrett	4	6
D Haddad	4	6
T Hall	4	6
G Harding (Responsible officer)	0	6
M Thomson	3	6
D Jones	6	6
K Lord (Support staff trustee)	4	6
T Lowe (Staff trustee)	6	6
S Kupusarevic (Vice chair)	4	6
D Ormesher	6	6
A Shaw	3	6
R Finlan	5	6
R Russel-Fisher	2	6
T J Gartside	6	6
C Shield (Company secretary)	6	6

The finance committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finances of the academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
R Russel-Fisher	5	6
T J Gartside	5	6
A Balfour	4	6
G Harding (Responsible officer)	2	6
T Ingham	4	6
S Perrett	6	6
N Evans	6	6
D Battman	1	6

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The full board of trustees meets twice each term (once every half-term). At the first meeting of each term the head master presents a report on the main developments of the past few months and highlights strategic issues for discussion.

The committees are:

- Estates
- Finance
- Admissions
- Personnel
- Health and safety
- Curriculum and pupil welfare

Each meets at least once a term to discuss agenda items, to receive and discuss reports requested from teaching or administrative staff and to discuss in more detail strategic issues highlighted by the board of trustees. At the second trustee meeting in the term (or as required) the chair of each committee reports in detail on discussions which took place.

Review of value for money

As accounting officer the head master 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 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:

- The school has commissioned by competitive tender the most efficient services for accounting. It continues to review staffing in its administration, estates, ICT and languages departments to ensure the most efficient use of resources.
- Every year teaching costs are reviewed so that funds are allocated efficiently. Where possible savings are made.
- The school has extended into a relationship with North Cestrian Grammar School and has supported its successful application to join the state sector as a free school. In so doing the trust looks to raise educational standards in the area and make efficiency savings in the long run.

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 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 The Hamblin Education Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Leadership has identified key areas of strategic, financial, health and safety and reputational risk. Trustees review these areas periodically either at board or sub-committee level.

Staff receive regular training on days set aside for development as appropriate. Specialist staff receive regular updating on first aid and other health and safety issues. Staff attend courses appropriate to their roles provided by external agencies (for example, on the latest changes to legislation on financial matters).

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:-

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchases plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; 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 Mr G Harding, a trustee, as a responsible officer (RO).

The RO's role includes giving advice on financial matters and performs a range of checks on the academy's financial system. On a quarterly basis the RO reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

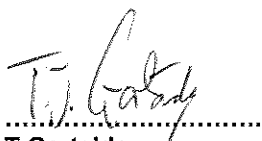
- At each full board of trustees' meeting the chair of finance updates the trustees on the academy's finances and reports to them any breaches of financial regulation. We have had no breach of financial regulation in this academy.
- The responsible officer has been into school on a regular termly basis and has informed the trustees that the academy's financial policies, systems and procedures are compliant with the EFA Financial Handbook and the academy's own Internal Finance Handbook. There are no significant internal control issues.
- Haines Watts carries out an annual audit of the academy's accounts. An annual audit is also conducted on the Teachers Pensions Agency contributions by Haines Watts.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses, if relevant, and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 November 2016 and signed on its behalf by:



D Battman
Chair of trustees



T Gartside
Accounting officer

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Hamblin Education Trust 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 16 November 2016 and signed by:



T Gartside
Accounting officer

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for The Hamblin Education Trust and are also the directors of The Hamblin Education Trust 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:

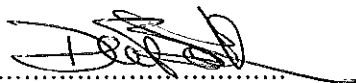
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 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 16 November 2016 and signed on its behalf by:



D Battman
Chair of trustees

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE HAMBLIN EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the accounts of The Hamblin Education Trust for the year ended 31 August 2016 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 2016 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 The Hamblin Education Trust 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' report including the incorporated strategic 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

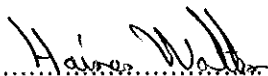
**INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE
HAMBLIN EDUCATION TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

- 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)

for and on behalf of

Haines Watts Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HAMBLIN EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 8 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hamblin Education Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Hamblin Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Hamblin Education Trust and 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 Hamblin Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Hamblin Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Hamblin Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE HAMBLIN EDUCATION TRUST AND THE EDUCATION
FUNDING AGENCY (CONTINUED)**

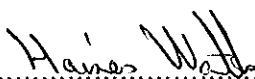
FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


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**Haines Watts
Reporting Accountant**

Dated: 

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

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

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	58	-	75	133	52
Charitable activities:						
- Funding for educational operations	3	-	5,521	-	5,521	5,721
Other trading activities	4	751	-	-	751	820
Investments	5	6	-	-	6	6
Total income and endowments		<u>815</u>	<u>5,521</u>	<u>75</u>	<u>6,411</u>	<u>6,599</u>
Expenditure on:						
Raising funds	6	425	-	-	425	565
Charitable activities:						
- Educational operations	7	-	5,978	267	6,245	6,247
Total expenditure	6	<u>425</u>	<u>5,978</u>	<u>267</u>	<u>6,670</u>	<u>6,812</u>
Net income/(expenditure)		390	(457)	(192)	(259)	(213)
Transfers between funds		(406)	388	18	-	(19)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(649)	-	(649)	(28)
Net movement in funds		(16)	(718)	(174)	(908)	(260)
Reconciliation of funds						
Total funds brought forward		<u>1,093</u>	<u>(1,092)</u>	<u>11,339</u>	<u>11,340</u>	<u>11,600</u>
Total funds carried forward		<u>1,077</u>	<u>(1,810)</u>	<u>11,165</u>	<u>10,432</u>	<u>11,340</u>

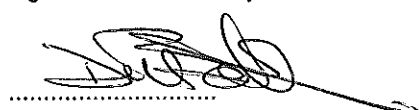
**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£000	£000
Fixed assets			
Tangible assets	11	11,165	11,339
Current assets			
Debtors	12	130	69
Cash at bank and in hand		1,253	1,255
		1,383	1,324
Current liabilities			
Creditors: amounts falling due within one year	13	(219)	(181)
Net current assets		1,164	1,143
Net assets excluding pension liability		12,329	12,482
Defined benefit pension liability	17	(1,897)	(1,142)
Net assets		10,432	11,340
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		11,165	11,339
- Restricted income funds		87	50
- Pension reserve		(1,897)	(1,142)
Total restricted funds		9,355	10,247
Unrestricted income funds	15	1,077	1,093
Total funds		10,432	11,340

The accounts were approved by the board of trustees and authorised for issue on 16 November 2016 and are signed on its behalf by:



D Battman
Chair of trustees

Company Number 07484717

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £000	£000	2015 £000	£000
Cash flows from operating activities					
Net cash provided by operating activities	18		10		24
Cash flows from investing activities					
Dividends, interest and rents from investments		6		6	
Capital grants from DfE and EFA		27		27	
Capital funding from sponsors and others		48		16	
Payments to acquire tangible fixed assets		(93)		(54)	
			(12)		(5)
Change in cash and cash equivalents in the reporting period			(2)		19
Cash and cash equivalents at 1 September 2015			1,255		1,236
Cash and cash equivalents at 31 August 2016			1,253		1,255

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Hamblin Education Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Hamblin Education Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged directly 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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 (excluding land)
Computer equipment	3 years
Fixtures, fittings & equipment	4 years
Motor vehicles	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of fixed assets is carried out if changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 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.

1.8 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.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.9 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 quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 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.

1.11 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 23.

1.12 Critical accounting estimates and areas of judgement

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

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Donated fixed assets	-	13	13	-
Capital grants	-	27	27	27
Other donations	58	35	93	25
	<u>58</u>	<u>75</u>	<u>133</u>	<u>52</u>

The income from donations and capital grants was £133,000 (2015 - £52,000) of which £58,000 was unrestricted (2015 - £9,000) and £75,000 was restricted fixed assets (2015 - £43,000).

Donated fixed assets comprised £13,000 of sports equipment donated by Trafford Community Leisure Trust. There were no unfulfilled conditions or contingencies in respect of this gift.

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
General annual grant (GAG)	-	5,452	5,452	5,664
Other DfE / EFA grants	-	42	42	44
	<u>-</u>	<u>5,494</u>	<u>5,494</u>	<u>5,708</u>
Other government grants				
Local authority grants	-	27	27	13
	<u>-</u>	<u>27</u>	<u>27</u>	<u>13</u>
Total funding	<u>-</u>	<u>5,521</u>	<u>5,521</u>	<u>5,721</u>

The income from funding for educational operations was £5,521,000 (2015 - £5,721,000) of which £5,521,000 was restricted (2015 - £5,721,000).

Local authority grants are in respect of High Needs funding.

There were no unfulfilled conditions or other contingencies in respect of government grant funding.

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	23	-	23	28
Other income	728	-	728	792
	<u>751</u>	<u>-</u>	<u>751</u>	<u>820</u>

The income from other trading activities was £751,000 (2015 - £820,000) of which £751,000 was unrestricted (2015 - £820,000).

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>

The income from funding for investment income was £6,000 (2015 - £6,000) of which £6,000 was unrestricted (2015 - £6,000).

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
Academy's educational operations					
- Direct costs	3,856	240	615	4,711	4,597
- Allocated support costs	824	127	583	1,534	1,650
	<u>4,680</u>	<u>367</u>	<u>1,198</u>	<u>6,245</u>	<u>6,247</u>
Other expenditure					
Raising funds	-	-	425	425	565
	<u>-</u>	<u>-</u>	<u>425</u>	<u>425</u>	<u>565</u>
Total expenditure	<u>4,680</u>	<u>367</u>	<u>1,623</u>	<u>6,670</u>	<u>6,812</u>

The expenditure on raising funds was £425,000 (2015 - £565,000) which was all unrestricted.

Net income/(expenditure) for the year includes:	2016 £000	2015 £000
Fees payable to auditor for:		
- Audit	6	6
- Other services	8	8
Depreciation of tangible fixed assets	<u>267</u>	<u>298</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

7 Charitable activities

	2016 £000	2015 £000
All from restricted funds:		
Direct costs - educational operations	4,711	4,597
Support costs - educational operations	<u>1,534</u>	<u>1,650</u>
	<u>6,245</u>	<u>6,247</u>

The expenditure on educational operations was £6,245,000 (2015 - £6,247,000) of which £5,978,000 was restricted (2015 - £5,949,000) and £267,000 was restricted fixed assets (2015 - £298,000).

**THE HAMBLIN EDUCATION TRUST
(FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

Analysis of costs	2016	2015
	£000	£000
Direct costs		
Teaching and educational support staff costs	3,846	3,739
Staff development	10	14
Depreciation and amortisation	240	268
Technology costs	21	13
Educational supplies and services	303	312
Examination fees	191	171
Educational consultancy	26	15
Other direct costs	74	65
	<u>4,711</u>	<u>4,597</u>
Support costs		
Support staff costs	824	877
Depreciation and amortisation	27	30
Recruitment and support	-	16
Maintenance of premises and equipment	100	153
Cleaning	146	168
Energy costs	116	131
Rent and rates	61	65
Insurance	38	39
Security and transport	3	2
Catering	24	27
Net interest on pension liability	43	38
Other support costs	88	82
Governance costs	64	22
	<u>1,534</u>	<u>1,650</u>

8 Staff costs

	2016	2015
	£000	£000
Wages and salaries	3,696	3,740
Social security costs	315	281
Operating costs of defined benefit pension schemes	659	595
	<u>4,670</u>	<u>4,616</u>
Staff costs	4,670	4,616
Staff development and other staff costs	10	14
	<u>4,680</u>	<u>4,630</u>
Total staff expenditure	4,680	4,630

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	88	91
Administration and support	38	42
Management	6	6
	<u>132</u>	<u>139</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

Staff restructuring costs include severance payments of £5,000 (2015 - £nil) and are included within wages and salaries.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £388,812 (2015 - £371,646).

9 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.

The value of trustees remuneration was as follows:

T Gartside (principal and trustee)	£100,001 - £105,000	(2015: £100,001 - £105,000)
T Lowe (staff trustee)	£40,001 - £45,000	(2015: £40,001 - £45,000)
R Cummins (staff trustee)	£40,001 - £45,000	(2015: £40,001 - £45,000)
K Lord (support staff trustee)	£5,001 - £10,000	(2015: £5,001 - £10,000)

The value of trustees pension contributions was as follows:

T Gartside (principal and trustee)	£15,001 - £20,000	(2015: £10,001 - £15,000)
T Lowe (staff trustee)	£5,001 - £10,000	(2015: £5,001 - £10,000)
R Cummins (staff trustee)	£5,001 - £10,000	(2015: £5,001 - £10,000)
K Lord (support staff trustee)	£1 - £5,000	(2015: £1 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £658 (2015 - £843) were reimbursed to 2 trustees. Related party transactions involving the trustees are set out in note 20.

**THE HAMBLIN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within the cost of the insurance premium.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2015	12,131	185	349	26	12,691
Additions	-	36	31	26	93
At 31 August 2016	12,131	221	380	52	12,784
Depreciation					
At 1 September 2015	857	152	324	19	1,352
Charge for the year	198	34	22	13	267
At 31 August 2016	1,055	186	346	32	1,619
Net book value					
At 31 August 2016	11,076	35	34	20	11,165
At 31 August 2015	11,274	33	25	7	11,339

The land and buildings are freehold.

12 Debtors

	2016 £000	2015 £000
VAT recoverable	21	12
Other debtors	41	10
Prepayments and accrued income	68	47
	<u>130</u>	<u>69</u>

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	31	28
Other taxation and social security	93	82
Other creditors	36	30
Accruals and deferred income	59	41
	<u>219</u>	<u>181</u>

**THE HAMBLIN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Deferred income	2016	2015
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	18	29
		<hr/>	<hr/>
	Deferred income at 1 September 2015	29	19
	Released from previous years	(29)	(19)
	Amounts deferred in the year	18	29
		<hr/>	<hr/>
	Deferred income at 31 August 2016	18	29
		<hr/>	<hr/>

Deferred income comprises £4,722 and £13,383 insurance and rates respective reimbursements from the EFA in advance.

15	Funds	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
		£000	£000	£000	£000	£000
	Restricted general funds					
	General Annual Grant	16	5,452	(5,803)	377	42
	Other DfE / EFA grants	34	42	(42)	11	45
	Other government grants	-	27	(27)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Funds excluding pensions	50	5,521	(5,872)	388	87
	Pension reserve	(1,142)	-	(106)	(649)	(1,897)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		(1,092)	5,521	(5,978)	(261)	(1,810)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Restricted fixed asset funds					
	DfE / EFA capital grants	1,063	27	(32)	(11)	1,047
	Inherited funds	9,726	-	(163)	-	9,563
	Capital expenditure from GAG or other funds	330	-	(68)	29	291
	Private sector capital sponsorship	220	48	(4)	-	264
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		11,339	75	(267)	18	11,165
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Total restricted funds	10,247	5,596	(6,245)	(243)	9,355
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Unrestricted funds					
	General funds	1,093	815	(425)	(406)	1,077
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Total funds	11,340	6,411	(6,670)	(649)	10,432
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

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

£377,000 of unrestricted general funds were transferred to restricted general funds in order to prevent that fund going into deficit.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	11,165	11,165
Current assets	1,296	87	-	1,383
Creditors falling due within one year	(219)	-	-	(219)
Defined benefit pension liability	-	(1,897)	-	(1,897)
	<u>1,077</u>	<u>(1,810)</u>	<u>11,165</u>	<u>10,432</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 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

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.

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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £494,000 (2015: £420,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The contribution rates for future years are unconfirmed.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

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% for employers and between 5.5 and 5.9% for employees. The estimated value of employer contributions for the coming year is £103,000.

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.

Total contributions made	2016 £000	2015 £000
Employer's contributions	101	105
Employees' contributions	35	39
Total contributions	136	144
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.8
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
Expected return on assets	2.0	3.7

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	12%	475
1 year increase in member life expectancy	3%	121
0.5% increase in the salary increase rate	3%	135
0.5% increase in the pension increase rate	8%	328

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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:

	2016 Years	2015 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 trust's share of the assets in the scheme

	2016 Fair value £000	2015 Fair value £000
Equities	1,529	1,209
Bonds	361	302
Cash	107	67
Property	127	101
Total market value of assets	2,124	1,679

Actual return on scheme assets - gain/(loss)	348	(37)
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Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	164	175
Net interest cost	43	38

Changes in the present value of defined benefit obligations

	2016 £000	2015 £000
Obligations at 1 September 2015	2,821	2,543
Current service cost	164	175
Interest cost	107	97
Employee contributions	35	39
Actuarial loss	933	6
Benefits paid	(39)	(39)
At 31 August 2016	4,021	2,821

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£000	£000
Assets at 1 September 2015	1,679	1,537
Interest income	64	59
Return on plan assets (excluding amounts in net interest) : Actuarial loss	284	(22)
Employee contributions	101	105
Employer contributions	35	39
Benefits paid	(39)	(39)
At 31 August 2016	2,124	1,679

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

18 Reconciliation of net expenditure to net cash flows from operating activities

	2016	2015
	£000	£000
Net expenditure for the reporting period	(259)	(232)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(75)	(43)
Investment income	(6)	(6)
Defined benefit pension costs less contributions payable	63	70
Defined benefit pension net finance cost/(income)	43	38
Depreciation of tangible fixed assets	267	298
(Increase)/decrease in debtors	(61)	10
Increase/(decrease) in creditors	38	(111)
Net cash provided by operating activities	10	24

THE HAMBLIN EDUCATION TRUST (FORMERLY ALTRINCHAM GRAMMAR SCHOOL FOR BOYS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Contingent liabilities

£120,000 was spent by Sodexo in the year to 31 August 2012 on the refurbishments for the 6th form area and the main dining hall. If the contracted terms have not been met within 10 years there is a possible clawback of this donation on a reducing basis over time.

20 Related party transactions

Governors who are also members of the staff of the academy have been paid in accordance with national agreed levels as members of staff.

During the year the academy received a donation of £82,285 (2015 - £24,480) from Altrincham Grammar School Development Limited, a company in which Mr Gartside, Mr Green, Mr Perrett and Mr Russel-Fisher are directors. At the year end an amount of £3,260 (2015 - £nil) was due from that company and included in trade debtors.

During the year the academy received £614 (2015 - £2,300) from Audenshaw School Academy Trust, a company in which Mr Hall is a director. At the year end an amount of £nil (2015 - £nil) was due from that company and included in trade debtors.

In entering into these transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2015.

21 Post balance sheet events

On 29 September 2015 formal agreement was reached that with effect from 1 September 2016 the school will enter into a multi-academy trust with North Cestrian Grammar School.

22 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.

23 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 2016 the trust received £14,801 (2015 - £14,501) and disbursed £7,284 (2015 - £4,463) from the fund. An amount of £36,501 (2015 - £28,984) is included in other creditors relating to undistributed funds that are repayable to the EFA.

**THE HAMBLIN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £000	31 August 2015 £000
Funds as reported under previous UK GAAP and under FRS 102	11,600	11,340
	<u> </u>	<u> </u>

Reconciliation of net loss for the previous financial period

	Notes	2015 £000
Net expenditure as reported under previous UK GAAP		(260)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost		(29)
Change in actuarial loss		29
		<u> </u>
Net expenditure reported under FRS 102		(260)
		<u> </u>

Notes to reconciliations on adoption of FRS 102

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £29,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.