

Trustees' Report and Audited Accounts

Altrincham Grammar School for Boys

(A Company Limited by Guarantee)

For the year ended 31 August 2015
Company registration number: 07484717

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 6
Governance statement	7 – 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 – 36

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees:	D Battman *
	N Evans *#
	T Gartside *#
	D Haddad
	T Hall
	D Jones
	R Cummins
	K Lord
	T Lowe #
	S Kupursarevic
	J Nicol (resigned 19 December 2014)
	D Ormesher
	A Shaw#
	M Thomson
	G Harding (Responsible officer)*
	Cllr Barclay
	A Balfour *
	R Finlan
	T Ingham *
	S Perrett *
	R Russel-Fisher *
	P Cowen (appointed 10 September 2015)
	E Young (appointed 10 September 2015)

* Members of finance committee

Subscribers to the memorandum of association

Senior leadership team:	Deputy Head	E Hall
	Assistant Head	H Meadowcroft
	Assistant Head	S Meehan
	Assistant Head	T Murray
	Assistant Head	E Thomas

Principal:	T Gartside
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Bursar:	C Shield
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Registered office & academy site:	Altrincham Grammar School for Boys Marlborough Road, Bowdon, Altrincham, Cheshire WA14 2RS
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Company registration number:	07484717
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Auditors:	Haines Watts, Chartered Accountants & Registered Auditors Bridge House, 157A Ashley Road, Hale, Altrincham WA14 2UT
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Bankers:	Lloyds TSB, King Street, Manchester
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ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the year ended 31 August 2015. 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 2015 there were 1,233 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 Altrincham Grammar School for Boys are also the directors of the charitable company for the purposes of company law. The charitable company is known as Altrincham Grammar School for Boys.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up 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.

Training

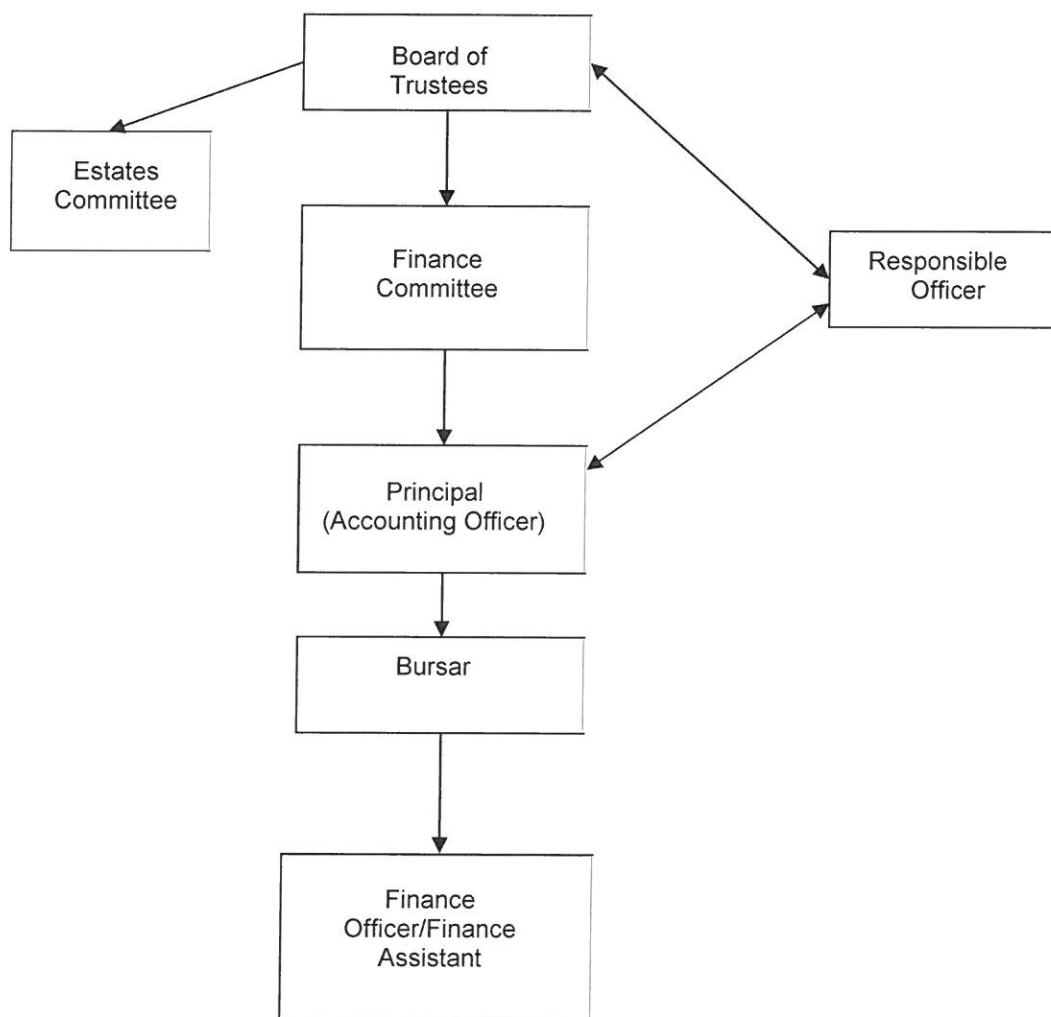
The school has a service level agreement with Trafford local authority for trustees' training. All trustees (but especially new trustees) are encouraged to attend training courses relevant to their needs. All trustees receive a copy of the LA governors' newsletter.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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.

Related parties and other connected charities and organisations

Trafford Community 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. During the year the school began to charge for work carried out by their staff on behalf of Audenshaw School Academy Trust.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The school is related to Altrincham Grammar School Developments Limited, a company in which Mr Gartside, Mr Perrett 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 Altrincham Grammar School for Boys 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.

Altrincham Grammar School for Boys 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.

Strategic report

Achievements and performance

In 2015 the school achieved examination results as follows:-

GCSE:	99.4% 5 A* - C (including English and Mathematics)
	69% A*/A
A Level:	84% A*/A/B
	25% A*

At GCSE level the school achieved the target set. At A Level the school exceeded the target set.

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.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 2015 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 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

During the year ended 31 August 2015, total expenditure of £6,783,000 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 £184,000. At 31 August 2015 the net book value of fixed assets was £11,339,000. 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 £1,142,000 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 £50,000.

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.

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 £1,143,000.

Investment policy

Funds are held on six week and three 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.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Post balance sheet events

On 29 September 2015, an agreement was reached to create a multi academy trust and it is proposed with effect from 1 September 2016, the school will enter into a MAT 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 18 November 2015 and signed on its behalf by:

.....
Mr Duncan Battman
Chair of trustees



ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Altrincham Grammar School for Boys 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 Altrincham Grammar School for Boys 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 7 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 (Chair resigned 11/09/14)	7	7
Cllr Barclay	3	7
D Battman (Chair from 11/09/14)	6	7
A Balfour	5	7
R Cummins (Staff trustee)	6	7
T Ingham	5	7
S Perrett	5	7
D Haddad	6	7
T Hall	3	7
G Harding (Responsible officer)	0	7
M Thomson	5	7
D Jones	5	7
K Lord (Support staff trustee)	6	7
T Lowe (Staff trustee)	6	7
S Kupusarevic (Vice chair from 11/09/14)	5	7
J Nicol resigned 19/12/14	2	3
D Ormesher	6	7
A Shaw	3	7
R Finlan	6	7
R Russel-Fisher	4	7
T J Gartside (Head master)	7	7
C Shield (Company secretary)	7	7

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	4	5
T J Gartside	5	5
A Balfour	4	5
G Harding (Responsible officer)	2	5
T Ingham	2	5
S Perrett	4	5
N Evans	4	5
D Battman	1	5

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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.

There have been two changes to the membership of the board between September 2014 and August 2015. N Evans who stepped down as Chairman on 9 September 2014 but remains a governor and J Nicol who resigned on 19 December 2014.

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 has revised staffing in its administration, estates, ICT and languages departments to ensure the most efficient use of resources.
- We have responded to feedback from local primary schools about local authority ICT services and have offered our own service level agreement for maintenance of ICT systems and the purchase of ICT equipment. An additional two primary schools making six in total have decided to take advantage of this offer in 2014-15 and by doing so the efficiency and effectiveness of their ICT systems for both staff and pupils have improved. Our ICT staff have relished the new challenge and additional revenue has come into AGSB ICT department to improve service to our pupils.

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 Altrincham Grammar School for Boys for the period 1 September 2014 to 31 August 2015 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).

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 18 November 2015 and signed on its behalf by:


.....

D Battman
Chair of trustees


.....

T Gartside
Accounting officer

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Altrincham Grammar School for Boys 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 18 November 2015 and signed by:



.....
T Gartside
Accounting officer

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

In preparing these accounts, the trustees are required to:

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

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 18 November 2015 and signed on its behalf by:



D Battman
Chair of trustees

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the accounts of Altrincham Grammar School for Boys for the year ended 31 August 2015 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 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees, who are also the directors of Altrincham Grammar School for Boys for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTRINCHAM GRAMMAR SCHOOL FOR BOYS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

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



John Whittick (Senior Statutory Auditor)

Haines Watts
Chartered Accountants
Statutory Auditor

Dated: 18 November 2015

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTRINCHAM GRAMMAR SCHOOL FOR BOYS AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2015

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 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altrincham Grammar School for Boys during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Altrincham Grammar School for Boys 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 Grammar School for Boys 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 Grammar School for Boys and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Altrincham Grammar School for Boys accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Altrincham Grammar School for Boys funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTRINCHAM GRAMMAR SCHOOL FOR BOYS AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 18 November 2015

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 2015

		Unrestricted funds £000	Restricted funds £000	Fixed Asset funds £000	Total 2015 £000	Total 2014 £000
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	9	-	16	25	1
- Activities for generating funds	3	820	-	-	820	788
- Investment income	4	6	-	-	6	6
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	5,721	27	5,748	5,864
Total incoming resources		835	5,721	43	6,599	6,659
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	565	-	-	565	514
<i>Charitable activities</i>						
- Educational operations	7	-	5,898	298	6,196	6,285
Governance costs	8	-	22	-	22	16
Total resources expended	6	565	5,920	298	6,783	6,815
Net incoming/(outgoing) resources before transfers		270	(199)	(255)	(184)	(156)
Gross transfers between funds		(78)	48	11	(19)	-
Net income/(expenditure) for the year		192	(151)	(244)	(203)	(156)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(57)	-	(57)	(237)
Net movement in funds		192	(208)	(244)	(260)	(393)
Fund balances at 1 September 2014		901	(884)	11,583	11,600	11,993
Fund balances at 31 August 2015		1,093	(1,092)	11,339	11,340	11,600

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 GRAMMAR SCHOOL FOR BOYS

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	11	11,339	11,583
Current assets			
Debtors	12	69	79
Cash at bank and in hand		1,255	1,236
		1,324	1,315
Current liabilities			
Creditors: amounts falling due within one year	13	(181)	(292)
Net current assets		1,143	1,023
Net assets excluding pension liability		12,482	12,606
Defined benefit pension liability	17	(1,142)	(1,006)
Net assets		11,340	11,600
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		11,339	11,583
- General funds		50	122
- Pension reserve		(1,142)	(1,006)
Total restricted funds		10,247	10,699
Unrestricted income funds	15	1,093	901
Total funds		11,340	11,600

The accounts were approved by order of the board of trustees and authorised for issue on 18 November 2015

.....
D Battman
Chair of trustees

Company Number 07484717

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £000	2014 £000
Net cash inflow/(outflow) from operating activities	18	24	490
Returns on investments and servicing of finance			
Investment income	6	6	
Net cash inflow/(outflow) from returns on investments and servicing of finance		6	6
		30	496
Capital expenditure and financial investments			
Capital grants received	43	25	
Payments to acquire tangible fixed assets	(54)	(189)	
Net cash flow from capital activities		(11)	(164)
Increase/(decrease) in cash	19	19	332

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

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

Grants receivable

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	50 years (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 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.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

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.

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 or other funders where the asset acquired or created is held for a specific purpose.

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

1.10 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Capital donations	-	16	16	-
Other donations	9	-	9	1
	<u>9</u>	<u>16</u>	<u>25</u>	<u>1</u>

3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Income from facilities and services	28	-	28	34
Other school activities	792	-	792	754
	<u>820</u>	<u>-</u>	<u>820</u>	<u>788</u>

4 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Short term deposits	6	-	6	6

5 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
DfE / EFA grants				
General annual grant (GAG)	-	5,664	5,664	5,762
Capital grants	-	27	27	25
Other DfE / EFA grants	-	44	44	48
	<u>-</u>	<u>5,735</u>	<u>5,735</u>	<u>5,835</u>
Other government grants				
Local authority grants	-	13	13	29
	<u>-</u>	<u>13</u>	<u>13</u>	<u>29</u>
Total funding	<u>-</u>	<u>5,748</u>	<u>5,748</u>	<u>5,864</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2015 £000	Total 2014 £000
Academy's educational operations					
- Direct costs	3,753	268	576	4,597	4,613
- Allocated support costs	877	183	539	1,599	1,672
	<u>4,630</u>	<u>451</u>	<u>1,115</u>	<u>6,196</u>	<u>6,285</u>
Other expenditure					
Costs of generating voluntary income	-	-	565	565	514
Governance costs	-	-	22	22	16
	<u>-</u>	<u>-</u>	<u>587</u>	<u>587</u>	<u>530</u>
Total expenditure	<u>4,630</u>	<u>451</u>	<u>1,702</u>	<u>6,783</u>	<u>6,815</u>
Net income/(expenditure) for the year includes:				2015 £000	2014 £000
Fees payable to auditor					
- Audit				6	7
- Other services				8	6

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Direct costs				
Teaching and educational support staff costs	-	3,739	3,739	3,629
Depreciation	-	268	268	268
Technology costs	-	13	13	38
Educational supplies and services	-	312	312	361
Examination fees	-	171	171	166
Staff development	-	14	14	24
Educational consultancy	-	15	15	56
Other direct costs	-	65	65	71
	-	4,597	4,597	4,613
Allocated support costs				
Support staff costs	-	807	807	788
Depreciation	-	30	30	30
Agency supply costs	-	16	16	-
Maintenance of premises and equipment	-	153	153	265
Cleaning	-	168	168	172
Energy costs	-	131	131	128
Rent and rates	-	65	65	62
Insurance	-	39	39	45
Security and transport	-	2	2	1
Catering	-	27	27	26
Additional pension costs	-	79	79	68
Other support costs	-	82	82	87
	-	1,599	1,599	1,672
Total costs	-	6,196	6,196	6,285

8 Governance costs

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	10	10	6
Auditor's remuneration				
- Audit of financial statements	-	8	8	7
Other governance costs	-	4	4	3
	-	22	22	16

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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:

	2015	2014
	Number	Number
Teachers	74	70
Administration and support	34	36
Management	6	6
	<u>114</u>	<u>112</u>

Costs included within the accounts:

	2015	2014
	£000	£000
Wages and salaries	3,740	3,635
Social security costs	281	277
Other pension costs	604	573
	<u>4,625</u>	<u>4,485</u>
Staff development and other staff costs	14	24
	<u>4,639</u>	<u>4,509</u>

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

	2015	2014
	Number	Number
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>3</u>

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

		2015	2014
		Number	Number
Teachers' Pension Scheme	Numbers	2	3
	£000	24	33
		<u>26</u>	<u>36</u>
Local Government Pension Scheme	Numbers	-	-
	£000	-	-
		<u>-</u>	<u>-</u>

The above figures for persons employed represent full time equivalents. The actual number of employees by category was as follows; teachers 91 (2014 - 81), administration and support 42 (2014 - 44) and management 6 (2014 - 6).

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

T Gartside (principal and trustee)	£100,001 - £105,000	(2014: £95,001 - £100,000)
T Lowe (staff trustee)	£40,001 - £45,000	(2014: £40,001 - £45,000)
R Cummins (staff trustee)	£40,001 - £45,000	(2014: £35,001 - £40,000)
K Lord (support staff trustee)	£5,001 - £10,000	(2014: £5,001 - £10,000)

The value of trustees' pension contributions was as follows:

T Gartside (principal and trustee)	£10,001 - £15,000	(2014: £10,001 - £15,000)
T Lowe (staff trustee)	£5,001 - £10,000	(2014: £5,001 - £10,000)
R Cummins (staff trustee)	£5,001 - £10,000	(2014: £5,001 - £10,000)
K Lord (support staff trustee)	£1 - £5,000	(2014: £1 - £5,000)

During the year ended 31 August 2015, travel and subsistence expenses totalling £843 (2014 - £1,263) were reimbursed to trustees. Related party transactions involving the trustees are set out in note 23.

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 2015 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 2014	12,129	150	332	26	12,637
Additions	2	35	17	-	54
At 31 August 2015	12,131	185	349	26	12,691
Depreciation					
At 1 September 2014	658	122	262	12	1,054
Charge for the year	199	30	62	7	298
At 31 August 2015	857	152	324	19	1,352
Net book value					
At 31 August 2015	11,274	33	25	7	11,339
At 31 August 2014	11,471	28	70	14	11,583

The land and buildings are freehold.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

12 Debtors	2015 £000	2014 £000
VAT recoverable	12	27
Other debtors	10	10
Prepayments and accrued income	47	42
	<u>69</u>	<u>79</u>
13 Creditors: amounts falling due within one year	2015 £000	2014 £000
Trade creditors	28	30
Taxes and social security costs	82	83
Other creditors	30	2
Accruals	12	158
Deferred income	29	19
	<u>181</u>	<u>292</u>
14 Deferred income	2015 £000	2014 £000
Deferred income is included within:		
Creditors due within one year	<u>29</u>	<u>19</u>
Total deferred income at 1 September 2014	19	40
Amounts credited to the statement of financial activities	(19)	(40)
Amounts deferred in the year	<u>29</u>	<u>19</u>
Total deferred income at 31 August 2015	<u>29</u>	<u>19</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant	89	5,664	(5,775)	38	16
Other DfE / EFA grants	33	44	(53)	10	34
Other government grants	-	13	(13)	-	-
	<u>122</u>	<u>5,721</u>	<u>(5,841)</u>	<u>48</u>	<u>50</u>
Funds excluding pensions	122	5,721	(5,841)	48	50
Pension reserve	(1,006)	-	(79)	(57)	(1,142)
	<u>(884)</u>	<u>5,721</u>	<u>(5,920)</u>	<u>(9)</u>	<u>(1,092)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	1,095	27	(34)	(25)	1,063
Inherited fixed asset fund	9,889	-	(163)	-	9,726
Capital expenditure from GAG or other funds	391	-	(97)	36	330
Private sector capital sponsorship	208	16	(4)	-	220
	<u>11,583</u>	<u>43</u>	<u>(298)</u>	<u>11</u>	<u>11,339</u>
Total restricted funds	<u>10,699</u>	<u>5,764</u>	<u>(6,218)</u>	<u>2</u>	<u>10,247</u>
Unrestricted funds					
General funds	<u>901</u>	<u>835</u>	<u>(565)</u>	<u>(78)</u>	<u>1,093</u>
Total funds	<u>11,600</u>	<u>6,599</u>	<u>(6,783)</u>	<u>(76)</u>	<u>11,340</u>

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.

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 2015.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total funds £000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	11,339	11,339
Current assets	1,274	50	-	1,324
Creditors falling due within one year	(181)	-	-	(181)
Defined benefit pension liability	-	(1,142)	-	(1,142)
	<u>1,093</u>	<u>(1,092)</u>	<u>11,339</u>	<u>11,340</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 TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £420,000 (2014: £405,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The 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 estimated value of employer contributions for the forthcoming year is £106,000.

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.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Contributions made	2015 £000	2014 £000
Employer's contributions	105	95
Employees' contributions	39	37
Total contributions	144	132
 Principal actuarial assumptions	 2015 %	 2014 %
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Expected return on assets	3.7	5.5

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

Change in assumptions at 31 August 2015	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	12%	326
1 year increase in member life expectancy	3%	85
0.5% increase in the salary increase rate	4%	117
0.5% increase in the pension increase rate	7%	202

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

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

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

	2015	2015	2014	2014
	Expected	Fair value	Expected	Fair value
	return		return	
	%	£000	%	£000
Equities	6.3	1,209	6.3	1,091
Bonds	3.2	302	3.2	277
Cash	3.3	67	3.3	77
Property	4.5	101	4.5	92
Total market value of assets		1,679		1,537
Present value of scheme liabilities - funded		(2,821)		(2,543)
Net pension asset / (liability)		(1,142)		(1,006)

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 £36,000 (2014 - £122,000).

Amounts recognised in the statement of financial activities

	2015	2014
	£000	£000
Operating costs/(income)		
Current service cost (net of employee contributions)	175	146
Past service cost	-	-
Total operating charge	175	146
Finance costs/(income)		
Expected return on pension scheme assets	(88)	(72)
Interest on pension liabilities	97	89
Net finance costs/(income)	9	17
Total charge/(income)	184	163

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Actuarial gains and losses recognised in the statement of financial activities

	2015	2014
	£000	£000
Actuarial (gains)/losses on assets: actual return less expected	51	(200)
Experience (gains)/losses on liabilities	6	437
(Gains)/losses arising from changes in assumptions	-	-
	<u>57</u>	<u>237</u>
Total (gains)/losses		
	<u>57</u>	<u>237</u>
Cumulative (gains)/losses to date	<u>424</u>	<u>367</u>

Movements in the present value of defined benefit obligations

	2015	2014
	£000	£000
Obligations at 1 September 2014	(2,543)	(1,875)
Current service cost	(175)	(146)
Interest cost	(97)	(89)
Contributions by employees	(39)	(37)
Actuarial gains/(losses)	(6)	(437)
Benefits paid	39	41
	<u>(2,821)</u>	<u>(2,543)</u>
At 31 August 2015		
	<u>(2,821)</u>	<u>(2,543)</u>

Movements in the fair value of scheme assets

	2015	2014
	£000	£000
Assets at 1 September 2014	1,537	1,174
Expected return on assets	88	72
Actuarial gains/(losses)	(51)	200
Contributions by employers	105	95
Contributions by employees	39	37
Benefits paid	(39)	(41)
	<u>1,679</u>	<u>1,537</u>
At 31 August 2015		
	<u>1,679</u>	<u>1,537</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

History of experience gains and losses

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Present value of defined benefit obligations	(2,821)	(2,543)	(1,875)	(1,618)	(1,218)
Fair value of share of scheme assets	1,679	1,537	1,174	921	773
Surplus / (deficit)	<u>(1,142)</u>	<u>(1,006)</u>	<u>(701)</u>	<u>(697)</u>	<u>(445)</u>
Experience adjustment on scheme assets	(51)	200	105	20	(59)
Experience adjustment on scheme liabilities	<u>13</u>	<u>(161)</u>	<u>-</u>	<u>(12)</u>	<u>-</u>

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

	2015	2014
	£000	£000
Net income	(203)	(156)
Capital grants and similar income	(43)	(25)
Investment income	(6)	(6)
Defined benefit pension costs less contributions payable	70	51
Defined benefit pension finance costs/(income)	9	17
Depreciation of tangible fixed assets	298	298
(Increase)/decrease in debtors	10	230
Increase/(decrease) in creditors	<u>(111)</u>	<u>81</u>
Net cash inflow/(outflow) from operating activities	<u>24</u>	<u>490</u>

19 Reconciliation of net cash flow to movement in net funds

	2015	2014
	£000	£000
Increase/(decrease) in cash	19	332
Net funds at 1 September 2014	1,236	904
Net funds at 31 August 2015	<u>1,255</u>	<u>1,236</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

20 Analysis of net funds

	At 1 September 2014 £000	Cash flows £000	Non-cash changes £000	At 31 August 2015 £000
Cash at bank and in hand	1,236	19	-	1,255

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at the time of the academy's site and premises and other assets held for the purpose of the academy: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

£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.

22 Commitments under operating leases

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

	2015 £000	2014 £000
Expiry date:		
- Between two and five years	7	7

23 Related parties

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 £24,480 (2014 - £nil) from Altrincham Grammar School Developments Limited, a company in which Mr Gartside Mr Perrett and Mr Russel-Fisher are directors. At the year end an amount of £nil (2014 - £nil) was due from that company and included in trade debtors.

During the year the academy received £2,300 (2014 - £nil) from Audenshaw School Academy Trust, a company in which Mr Hall is a director. At the year end an amount of £nil (2014 - £nil) was due from that company and included in trade debtors

24 Post balance sheet events

On 29 September 2015, an agreement was reached to create a multi academy trust and it is proposed with effect from 1 September 2016, the school will enter into a MAT with North Cestrian Grammar School.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

25 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.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £14,501 and disbursed £4,463 from the fund. An amount of £28,984 is included in other creditors relating to undistributed funds that are repayable to the EFA.