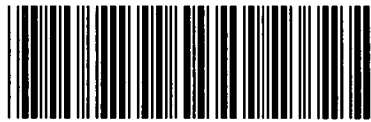


Company Registration No. 7333089 (England and Wales)

**AUDENSHAW SCHOOL ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

THURSDAY



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# AUDENSHAW SCHOOL ACADEMY TRUST

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# AUDENSHAW SCHOOL ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Mr T Hall (Chair of Governors)  
Mrs J Saw (Headteacher and Accounting Officer)  
Mr K Brown  
Mr B Atkin  
Mr B Miller  
Mr W Thorpe  
Mrs G Miller  
Mr A Beech (until 6 December 2016)  
Mr J McKenzie (until 6 December 2016)  
Mr N Jackson (appointed 6 May 2017)  
Ms J Roberts (appointed 6 May 2017)  
Mrs A Hall (appointed 13 September 2016 until 31 August 2017)

### Members

Mr T Hall (Chair of Governors)  
Mr B Miller  
Mr W Thorpe

### Senior management team

- Headteacher	Mrs J Saw
- Deputy Headteacher	Mr K Harrison
- Chief Financial Officer	Mr A Sahi

### Company registration number

7333089 (England and Wales)

### Principal & registered office

Hazel Street  
Audenshaw  
Manchester  
M34 5NB

### Independent auditor

Wylie & Bisset LLP  
168 Bath Street  
Glasgow  
G2 4TP

### Bankers

Lloyds  
10 Booth Street  
Manchester  
M2 4AW

### Solicitors

Stone King  
13 Queen Square  
Bath  
BA1 2HJ

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017.

### **Structure, Governance and Management**

#### Constitution

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

The governors act as trustees for the charitable activities of Audenshaw School Academy Trust and are also directors of the charitable company for the purposes of company law. The charitable company is known as Audenshaw School.

Details of the governors who served throughout the year 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.

#### Governors' indemnities

The Academy has opted into the Risk Protection Arrangement with the Department for Education and has adequate cover in place.

#### Principal Activities

The Trust is responsible for providing education to students aged 11-19. This includes direct delivery of curriculum based education to students in the Academy and an established programme of extra-curricular activities.

#### Method of recruitment and appointment or election of Governors

The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust.

The articles of association require that the Members of the Academy Trust shall comprise:

- a. the signatories to the Memorandum
- b. one person appointed by the Secretary of State, in the event that the secretary of State appoints a person for this purpose.
- c. the Chairman of the Governors.

The Members may appoint additional Trustees. Trustees may be removed by the person or persons who appointed them.

The Trustees who were in office during 2016/17 are listed on page 1.

#### Policies and procedures adopted for the induction and training of Governors

All Trustees and Governors are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and Governors.

All Trustees and Governors have access to a range of training programmes.

#### Organisational structure

The organisational structure of the Academy consists of two levels: The Board of Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Academy is governed by the board which delegates functions to the Senior Leadership Team. Governors are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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The Board of Governors is responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, and senior staff appointments. The Governors are responsible for monitoring the performance of the Headteacher and Senior Leadership Team on a regular basis.

The Senior Leadership Team members for Audenshaw Academy are the Headteacher, Deputy Headteacher and four Assistant Headteachers. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Headteacher is the Accounting Officer.

The Governors approved a Scheme of Delegation which sets out a statement on the system of internal control, responsibilities and standing orders.

Each Committee of the Board of Governors has a Terms of Reference.

### Arrangements for setting pay and remuneration of key management personnel

Trustees determine remuneration for the Headteacher through the Headteacher's Pay Review Committee by performance managing targets set. The Personnel Committee receives reports on performance management from the Headteacher.

The Headteacher Pay Review Committee and Personnel Committee makes decisions based upon these reports and the position of senior leaders within their pay bands.

### **Objectives and activities**

#### Objects and aims

The Academy's principal object and activity is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The aim of the Academy is to provide a quality education in a caring and disciplined community:

- By maintaining the high standards and expectations of the Academy;
- By maintaining the Academy's reputation for excellent examination results;
- By allowing students of all abilities to attain their full potential and develop their own special qualities;
- By offering a wider range of extracurricular activities and sports;
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties;
- By expecting pupils to value all members of the Academy's community and its environment;
- By allowing pupils to acquire attitudes and skills which enable them to give purposes to their lives and to make a contribution to the wider community.

The main objectives of the Academy during the year ended 31 August 2017 are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

### Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the Trustees consider that the company's aims are demonstrably to the public benefit.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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### Achievements and Performance

#### Summary of results in 2017

##### Performance Table – GCSEs 2017 Totals

Number of Candidates 180

Achieving 2 or more A\* to C in English and Maths 70%

Students achieving the Ebacc (standard pass) 13%

Average total attainment 8 score per student is 47.95

Progress 8 score -0.14

##### Performance Table – A Levels 2017 Totals

Number of Candidates 49

Achieving 3 A Levels A\* to E (not including General Studies) 69%

Achieving 3 A Levels A\* to B (not including General Studies) 20%

Average point score (per entry) = 27.3

#### Educational Outcomes

At GCSE Provisional Progress 8 (P8) as of 26th September is -0.14 for 2017. The overall progress of our students has been in line with national for the past three years in terms of P8.

Maths and Open buckets are positive, English P8 is negative and just outside being in line with national. However, historic results in English have been very good compared to national and even more so boys national and capacity for future success is strong.

Progress 8 for Disadvantaged students is currently -0.29 which is below zero but in line with national. It is higher than the national for similar students.

9-4 in English and Maths is currently 70% in 2017 with Maths A\*-C comparable to previous years. This will be well above the national comparative.

9-7 in Maths is the highest ever at 26% compared to 19% nationally. 9-7 in English is 20% (awaiting national comparative)

9-5 in English and Maths is currently 47%. We await the national comparative.

Year 11 achievement is particularly strong in a number of subjects, including Art, Electronics, Product design, Geography and Music.

At A Level, 17% of students achieved AAB or higher in 2 or more 'facilitating' subjects. The average point score per student was 90.45. The Average Points Score per entry was 27.3.

Destination information (2017) indicates that 67% of all Year 13 students achieved a place at university. Two students achieved places at Oxbridge, two will be studying for degrees in Law and one is starting a course in Medicine.

There is no doubt that the school very successfully enables its Sixth Form students to enter their university of choice, studying the subjects that they wish to study.

#### Extra-Curricular Activities

##### Rugby

We have commented in previous years about the transition of Audenshaw from 15 years ago being considered, a good, hard competitive set of teams to a school that is truly established amongst the very elite of the county and a program that was highlighted as a model of excellence for the state comprehensive sector at a recent RFU Schools meeting at Twickenham.

Across the campaign standout results were plentiful with victories for our teams over Crossley Heath, Bolton School, Stonyhurst, Stockport Grammar and AKS Lytham as our programme continues to produce highly skilled and fully equipped players and teams wearing the Audenshaw badge. The 1st XV reached the Quarter Finals of the Lancashire Cup and the 4th Round of the Nationals the U16's were Lancashire Cup Semi Finalists and the U14's were Plate Finalists at Kirkham.

The success has been evidenced more visibly than in any previous year by the highest number of players ever progressing into the elite levels of the game with 13 of our boys selected for Lancashire, Cheshire, Sale Sharks, Halifax RLFC and Warrington Wolves as they look to emulate the alumni that we are so proud of. In May, the Sky Sports Commentator, Barrie McDermott referred to Audenshaw as the "Stable of Rugby" during the televised game between Warrington and Castleford.

Lancashire honours were earned by our 1st XV Captain, AM, OR and DM from the U16's, SA from the U15's who also continued his progression with Sale Sharks and from the U14's NR, JS, SA and WW all represented their county as did MR of the U13's.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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Of our alumni, PA agreed his first professional contract with Super League's Warrington Wolves and in doing so became the 4th player currently signed within Super League to be produced here at Audenshaw and one of 33 who have represented professional clubs in both codes in the last 10 years. 1st XV star, ER extended his deal with the club's U19's team and we hope it won't be long until he too is on our screens on a Friday night.

### Swimming

The 2016/17 year was another great one in the growing history of our swimming program, one in which we won the Tameside Championship for the 5th successive year and thereby represented the district at the Greater Manchester Games for the third year in a row. The Sharks also celebrated the longest unbeaten run in school sporting history, eventually lasting for three years with victories over Bradford Grammar, Bolton School and Leeds Grammar School to name just a few. Our goal for next year is to return to the English National Championship Finals where we last competed in 2015 as one of only 5 comprehensive schools out of the 75 that qualified.

Five of the Audenshaw Sharks team are now training with National squads and some of the best teams in the country, JB a double gold medallist in the north west championships and one of the top 24 in the country, WT and AC within the elite squads of City of Manchester, KT of Oldham Aquatics and the incredible all-rounder that is NC from year 7, a silver medallist in the north west Championships and a member of the regional squad. Every bit as impressive however are the accomplishments of RJ of y9 who started coming to practice last year as a non-swimmer who was truly terrified of water. I considered may be suggesting to him that due to this, swimming was perhaps not the best sport for him to get involved in but a year later he is ready to compete and his story was used as a case study by Sport England for the outstanding achievement of a school sports club, winning 1400 pounds in funding to allow the Sharks to train for free.

Tribute must also be paid to the Captain and Head Coach AT, who helped establish the Sharks back in 2012 and has been quite simply, the most brilliant young leader the PE Department have ever worked with and also his team of Assistant Coaches, SO, RL, DB and his brother KB as without them, none of this would have been possible.

### Cricket

The cricket teams performed admirably in 2017 with the 1st XI reaching the Lancashire Plate Final and the U12's falling just one game short. The U15's reached the quarter final of the Lancashire Cup and were able to list the likes of Stonyhurst and Oldham Hulme amongst the sides they overcame. Individual accolades were a plenty for the Audenshaw boys. The U15 skipper, BM represented Lancashire throughout the year, as did U12 batsman, NM and DM of the U16's plus BC and LG were both stars within the Tameside U15 District team.

Most impressive were the accomplishments of our 1st XI Captain, MS who made his debut for Derbyshire's senior 1st XI against the West Indies and claimed the scalps of test stars, KH, SD and skipper, JH in a spectacular display.

### Football

One of the greatest successes of the year came when the U14 Team reached the National Cup Final held at Derby County. In a thrilling game they came back 3-0 down just after half time to tie the game in the last minute of added time only to lose 4-3 on penalties. The same U14 team also won the Tameside cup for the 3rd year in a row and the U15 also won the Tameside cup for the second time.

ZW, DE, LF, OS were selected to play for the Manchester County sides at U16 and U14 respectively to compete in their national competition.

This year also saw former student ZC make his first big move in football when he signed for Nottingham Forest from Bolton Wanderers for £2.5 million.

Audenshaw School is truly a force to be reckoned with right up to national level.

### Athletics

Our Athletics teams continue to compete well at a local and regional level. Our year 10 team competed in the North West final of the English Schools cup competition. AC, JS and SA represented Tameside at the Greater Manchester Athletics Championships. This summer AC broke the oldest school Athletics record breaking a 48 year old Shot put record with a throw of 13.88m.

### Music

Termly concerts featuring ensembles and soloists took part in the Winter, Spring and Summer Terms. The student centred format was hosted by the senior prefects and celebrated the success, achievements and dedication of the diverse extra-curricular music programme we have at Audenshaw.

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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ABRSM Instrumental exams have continued to be attained throughout the year, building on past successes along with establishing new. Some students are working comfortably towards attaining Grade 6+ in the next academic year.

Students attaining ABRSM Theory examinations are an additional success this year and we have seen achievement of Grades 1 – 5. All ABRSM achievements are now recorded internally and credited against whole school figures.

School of Rock and Pop is a further additional study offered to the Guitarists, Drummers and Singers. All students entered work towards attaining Grade 6 which can have an equivalent points score as a B grade at GCSE.

We have a number of year 10 musicians participating in the Young Musician programme hosted by the Royal Northern College of Music.

### Charity work

Audenshaw School has continued with its support for Macmillan into 2016/17 by organising various events such as Carol concert, Christmas jumper day, coffee morning, raffles and bike ride and raised over £8,000 for the cause.

### Trips and Events

The school has seen another year of exciting educational visits organised from all subject areas. The PE department ran a trip to Borussia Dortmund Football Club in April where they used their facilities to train and also attended a football match.

The history department ran its annual battlefields trip to Belgium and France to visit some of the key battlefields of World War One. In addition to this, they also visited Crime and Punishment Museum.

The art department arranged visits to Quarry Bank Mill and Yorkshire Sculpture Park in Manchester during the year.

Visits to John Ryland's Library and theatre to watch Street Car Named Desire were organised by the English department.

The 6th form students attended UCAS convention as well as a trip to Nottingham University.

A trip to Grange-Over-Sands was organised by the geography students during the year.

### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust 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 Statement of Accounting Policies.

### Key Financial Performance Indicators

- Continuation of an annual operating surplus
- Continuation to build funds for capital investment

### Financial review

The Trust held fund balances at 31 August 2017 of £10,377k, comprising £364k of restricted funds, £10,694k of fixed asset funds, a pension reserve deficit of £1,149k, and £468k of unrestricted general funds.

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds (non-fixed assets in the Statement of Financial Activities).

During the year ended 31 August 2017, total expenditure of £6,260k was more than recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period was £411k. This excess is after accounting for a depreciation charge of £539k and movement on the defined benefit pension scheme of £141k.

Following the actuarial gain on defined benefit pension scheme of £542k, the net movement in funds in the year was an increase of £132k.



# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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### Reserves policy

The Academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under review.

At 31 August 2017 the Academy held free reserves not tied up in Fixed Assets or designated by the Trustees of £468k. £364k of restricted general funds which are available to be used for the Academy's operational activities and development.

The reserves of the Academy are reviewed regularly and are considered to be sufficient for the academy's requirements.

### Investment policy

The Academy operates an investment policy that sees to maximise returns, minimise risk and maintain flexibility and access to funds, current funds are held on deposit.

### Risk Management

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school 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 systems in place, 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. They are satisfied that these systems are consistent with the guidelines issued by the Charities Commission. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

### Principal risks and uncertainties

The Academy has undertaken significant work to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on the Academy's objectives, the Resources Committee have undertaken a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy.

The internal controls are then implemented and subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

#### 1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2016/17, over 98% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

#### 2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

### Plans for future periods

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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The Academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

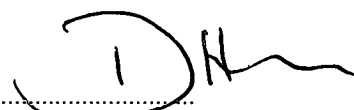
### Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that Wylie & Bisset LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on ..... and signed on its behalf by:

  
.....  
Mr T Hall  
Chair of Governors

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Audenshaw School Academy 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Audenshaw School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr T Hall (Chair of Governors)	4	4
Mrs J Saw (Headteacher and Accounting Officer)	4	4
Mr K Brown	3	4
Mr B Atkin	1	4
Mr B Miller	2	4
Mr W Thorpe	2	4
Mrs G Miller	3	4
Mr A Beech	2	2
Mr J McKenzie	2	2
Mrs A Hall	3	4
Mr N Jackson	1	2
Mrs J Roberts	2	2

The resource committee is a sub-committee of the main Board of Governors. Its purpose is to assist the decision making of the Board of Governors, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Governor's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. The Committee makes appropriate comments and recommendations on such matters to the Board of Governors on a regular basis. The Committee will consider matters as set out in its Terms of Reference or as requested by the Board of Governors, taking advice as appropriate.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr K Brown (Chair of Resource Committee)	4	4
Mrs J Saw (Headteacher and Accounting Officer)	4	4
Mr T Hall	4	4
Mr B Atkin	1	4
Mrs G Miller	2	2
Mr A Beech	1	2

### Review of value for money

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

# AUDENSHAW SCHOOL ACADEMY TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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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 governors where value for money can be improved, including the use of benchmarking data where available.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Audenshaw School Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

### **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 the segregation of duties and a system of delegation and accountability. In particular it includes:

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

For 2016/17 the Board of Governors appointed an internal audit service provided by the Association of School and College Leaders, to provide a detailed inspection of the Academy Trust's procedures.

### **Review of effectiveness**

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


- the work of the Internal Auditor;
- the work of the External Auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;

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

Approved by order of the members of the Board of Governors on 30/11/2017 and signed on its behalf by:



Mr T Hall  
Chair of Governors



Mrs J Saw  
Headteacher and Accounting Officer

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

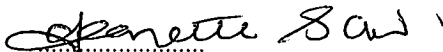
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As Accounting Officer of Audenshaw School Academy Trust I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and 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 Board of Governors 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.

Mrs J Saw  
Accounting Officer

A handwritten signature in black ink, appearing to read 'J Saw', with a dotted line underneath it.

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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The Governors (who act as trustees for charitable activities of Audenshaw School Academy Trust and are also the directors of Audenshaw School Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Account Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

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

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

Approved by order of the members of the Board of Governors on 30/11/2017 and signed on its behalf by:

  
Mr T Hall  
Chair of Governors

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST

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### Opinion

We have audited the financial statements of Audenshaw School Academy Trust (the 'charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice (SORP 2015) and the Academies Accounts Direction 2016 to 2017 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017, and of its incoming resources and application of resources 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 Charities Statement of Recommended Practice (SORP 2015) and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the charitable company's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the charitable company has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST

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### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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
- the financial statements are not in agreement with the accounting records; 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees, who are also the directors of Audenshaw School Academy Trust for the purposes of company law, are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

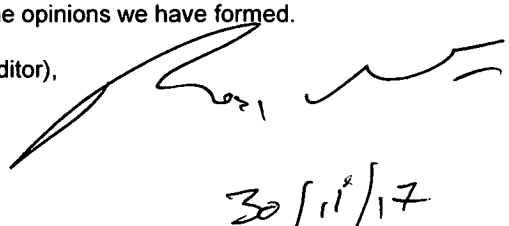
### Use of our report

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 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2016 to 2017 issued by the Education & Skills Funding Agency on terms that have been agreed.

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.

Ross McLauchlan BAcc CA (Senior Statutory Auditor),  
For and on behalf of Wylie & Bisset LLP  
Date:

Chartered Accountants  
Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP





# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 25 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Audenshaw School Academy Trust during the period 1 September 2016 to 31 August 2017 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 Audenshaw School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Audenshaw School Academy Trust and ESFA 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 Audenshaw School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Audenshaw School Academy trust accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Audenshaw School Academy Trust's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- Procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- Consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- Evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- Assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirement of the Academies Accounts Direction 2016 to 2017.
- Consideration of whether the absence of a control represents a breach of authorities;
- Review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

# AUDENSHAW SCHOOL ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

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This list is not exhaustive and we performed additional procedures designed to provide us with additional appropriate evidence to express a conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2016 to 2017.

### 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed:

  
Ross McLauchlan BAcc CA  
Reporting Accountant

Wylie & Bisset LLP,  
Chartered Accountants,  
Statutory Auditor

Date

30/11/17

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	23	23	24
Charitable activities:						
- Funding for educational operations	3	-	5,706	-	5,706	6,096
Other trading activities	4	120	-	-	120	31
Investments	5	1	-	-	1	1
<b>Total income and endowments</b>		<b>121</b>	<b>5,706</b>	<b>23</b>	<b>5,850</b>	<b>6,152</b>
<b>Expenditure on:</b>						
Raising funds	6	77	-	-	77	3
Charitable activities:						
- Educational operations	7	-	5,644	539	6,183	6,677
<b>Total expenditure</b>	<b>6</b>	<b>77</b>	<b>5,644</b>	<b>539</b>	<b>6,260</b>	<b>6,680</b>
<b>Net income/(expenditure)</b>		<b>44</b>	<b>62</b>	<b>(516)</b>	<b>(410)</b>	<b>(528)</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	542	-	542	(555)
<b>Net movement in funds</b>		<b>44</b>	<b>604</b>	<b>(516)</b>	<b>132</b>	<b>(1,083)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		424	(1,389)	11,210	10,245	11,328
Total funds carried forward		468	(785)	10,694	10,377	10,245

# AUDENSHAW SCHOOL ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

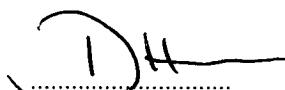
Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	24	24
Charitable activities:					
- Funding for educational operations	3	-	6,096	-	6,096
Other trading activities	4	31	-	-	31
Investments	5	1	-	-	1
<b>Total income and endowments</b>		<b>32</b>	<b>6,096</b>	<b>24</b>	<b>6,152</b>
<b>Expenditure on:</b>					
Raising funds	6	3	-	-	3
Charitable activities:					
- Educational operations	7	-	6,143	534	6,677
<b>Total expenditure</b>	<b>6</b>	<b>3</b>	<b>6,143</b>	<b>534</b>	<b>6,680</b>
<b>Net income/(expenditure)</b>		<b>29</b>	<b>(47)</b>	<b>(510)</b>	<b>(528)</b>
Transfers between funds		-	(59)	59	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(555)	-	(555)
<b>Net movement in funds</b>		<b>29</b>	<b>(661)</b>	<b>(451)</b>	<b>(1,083)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		395	(728)	11,661	11,328
Total funds carried forward		424	(1,389)	11,210	10,245

# AUDENSHAW SCHOOL ACADEMY TRUST

## BALANCE SHEET AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		10,694		11,210
<b>Current assets</b>					
Debtors	12	152		66	
Cash at bank and in hand		1,053		803	
		1,205		869	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(373)		(284)	
<b>Net current assets</b>			832		585
<b>Net assets excluding pension liability</b>			11,526		11,795
Defined benefit pension asset/(liability)	16		(1,149)		(1,550)
<b>Net assets</b>			10,377		10,245
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	14				
- Fixed asset funds			10,694		11,210
- Restricted income funds			364		161
- Pension reserve			(1,149)		(1,550)
<b>Total restricted funds</b>			9,909		9,821
<b>Unrestricted income funds</b>	14		468		424
<b>Total funds</b>			10,377		10,245

The accounts set out on pages 20 to 33 were approved by the Board of Governors and authorised for issue on ..... and are signed on its behalf by:

  
Mr T Hall  
Chair of Governors

Company Number 7333089

# AUDENSHAW SCHOOL ACADEMY TRUST

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Net cash (used in)/provided by operating activities	17	230	(1,580)
<b>Cash flows from investing activities</b>			
Investment income	1	1	-
Proceeds from sale of tangible fixed assets	18	-	-
Capital grants received	23	24	-
Payments to acquire tangible fixed assets	(22)	(83)	-
<b>Net cash (used in) investing activities</b>		20	(59)
<b>Increase/(decrease) in cash</b>		250	(1,638)

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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### 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 2016 to 2017 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Audenshaw School Academy Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The Governors 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 charitable company to continue as a going concern. The Governors 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.

##### 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

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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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.

### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% per annum
Computer equipment	25% per annum
Fixtures, fittings & equipment	10% per annum
Motor vehicles	25% per annum

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

### 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.



# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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### **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.

### **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 16, 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 Governors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

### **1.11 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.

#### 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

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

changes in these assumptions, which are disclosed in note 16, 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 2017. 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 2017 £'000	Total 2016 £'000
Capital grants	-	23	23	24

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / EFA grants				
General annual grant (GAG)	-	5,460	5,460	5,821
Other DfE / EFA grants	-	246	246	275
<b>Total funding</b>	<b>-</b>	<b>5,706</b>	<b>5,706</b>	<b>6,096</b>

### 4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Other income	120	-	120	31

### 5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Other investment income	1	-	1	1

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,198	-	276	4,474	4,755
- Allocated support costs	488	661	560	1,709	1,922
	<u>4,686</u>	<u>661</u>	<u>836</u>	<u>6,183</u>	<u>6,677</u>
<b>Other expenditure</b>					
Raising funds	-	-	77	77	3
	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>	<u>3</u>
<b>Total expenditure</b>	<u>4,686</u>	<u>661</u>	<u>913</u>	<u>6,260</u>	<u>6,680</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2017 £'000</b>	<b>2016 £'000</b>
Fees paid to auditor for audit services				17	9
Depreciation of tangible fixed assets				<u>539</u>	<u>534</u>

### 7 Charitable activities

	2017 £'000	2016 £'000
<b>All from restricted funds:</b>		
Direct costs - educational operations	4,474	4,755
Support costs - educational operations	<u>1,709</u>	<u>1,922</u>
	<u>6,183</u>	<u>6,677</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Charitable activities (continued)

Analysis of costs	2017 £'000	2016 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	4,080	4,287
Staff development	8	27
Technology costs	10	22
Educational supplies and services	97	148
Examination fees	92	91
Educational consultancy	9	68
Other direct costs	178	112
	<u>4,474</u>	<u>4,755</u>
<b>Support costs</b>		
Support staff costs	488	598
Depreciation	539	534
Technology costs	105	44
Recruitment and support	14	24
Maintenance of premises and equipment	123	155
Cleaning	17	21
Rent and rates	159	184
Insurance	23	46
Security and transport	7	8
Catering	45	64
Interest and finance costs	32	34
Other support costs	119	131
Governance costs	38	79
	<u>1,709</u>	<u>1,922</u>

### 8 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	3,590	3,917
Social security costs	363	300
Operating costs of defined benefit pension schemes	553	618
	<u>4,506</u>	<u>4,835</u>
Staff costs	4,506	4,835
Supply staff costs	63	50
Staff development and other staff costs	8	27
	<u>4,577</u>	<u>4,912</u>
Total staff expenditure	4,577	4,912

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Staff Costs (Continued)

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	76	82
Administration and support	42	47
	<u>118</u>	<u>129</u>

#### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the Governors 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 £238,563 (2016 - £159,150).

### 9 Governors' remuneration and expenses

The Headteacher only receives remuneration in respect of services they provide undertaking the roles of Headteacher and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors:

J Saw (Headteacher) £90,001 - £100,000

Other related party transactions involving the governors are set out in note 21.

### 10 Governors and officers insurance

During the prior year the academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the PRA scheme.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 September 2016	11,072	1,249	887	70	13,278
Additions	-	-	22	-	22
Disposals	-	-	-	(18)	(18)
At 31 August 2017	<u>11,072</u>	<u>1,249</u>	<u>909</u>	<u>52</u>	<u>13,282</u>
<b>Depreciation</b>					
At 1 September 2016	970	712	354	33	2,069
Charge for the year	221	215	90	13	539
Disposals	-	-	-	(20)	(20)
At 31 August 2017	<u>1,191</u>	<u>927</u>	<u>444</u>	<u>26</u>	<u>2,588</u>
<b>Net book value</b>					
At 31 August 2017	<u>9,881</u>	<u>322</u>	<u>465</u>	<u>26</u>	<u>10,694</u>
At 31 August 2016	<u>10,102</u>	<u>537</u>	<u>533</u>	<u>38</u>	<u>11,210</u>

### 12 Debtors

	2017 £'000	2016 £'000
Trade debtors	2	3
Other debtors	23	10
Prepayments and accrued income	127	53
	<u>152</u>	<u>66</u>

### 13 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	123	144
Other taxation and social security	155	100
Other creditors	2	-
Accruals and deferred income	93	40
	<u>373</u>	<u>284</u>

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 14 Funds

	Balance at 1 September 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant	83	5,460	(5,226)		317
Other DfE / EFA grants	78	246	(277)		47
Funds excluding pensions	161	5,706	(5,503)	-	364
Pension reserve	(1,550)		(141)	542	(1,149)
	<u>(1,389)</u>	<u>5,706</u>	<u>(5,644)</u>	<u>542</u>	<u>(785)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	3,982	23	(363)		3,642
Transfer from former school	7,228		(176)		7,052
	<u>11,210</u>	<u>23</u>	<u>(539)</u>	<u>-</u>	<u>10,694</u>
<b>Total restricted funds</b>	<u>9,821</u>	<u>5,729</u>	<u>(6,183)</u>	<u>542</u>	<u>9,909</u>
<b>Unrestricted funds</b>					
General funds	424	121	(77)	-	468
<b>Total funds</b>	<u>10,245</u>	<u>5,850</u>	<u>(6,260)</u>	<u>542</u>	<u>10,377</u>
<b>General unrestricted funds include the following designated funds:</b>					
School Fund	20	78	(77)	-	21
Balance of general funds	404	43			447
	<u>424</u>	<u>121</u>	<u>(77)</u>	<u>-</u>	<u>468</u>

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

#### Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

#### Other DfE/EFA grants

Comprise additional funding received for furtherance of education, which must be used in accordance with specific terms of each grant.

#### Fixed asset fund

These grants relate to funding received from the DfE, EfA and private sponsors to carry out works of a capital nature as part of the School Building Project.

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 14 Funds (continued)

#### School fund

This fund represents money held in a school fund account which is used for school trips and productions.

### 15 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds General £'000	Fixed asset £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets			10,694	10,694
Current assets	468	737		1,205
Creditors falling due within one year		(375)		(375)
Defined benefit pension liability		(1,149)		(1,149)
	<u>468</u>	<u>(785)</u>	<u>10,694</u>	<u>10,377</u>

### 16 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Pension Fund. Both are multi-employer 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.

Contributions amounting to £58k were payable to the schemes at 31 August 2017 and are included within creditors.

#### 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.

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%))



# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 16 Pensions and similar obligations (continued)

- 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%

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

The employer's pension costs paid to the TPS in the period amounted to £469k (2016: £453k).

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 agreed contribution rates for future years are 17.6% for employers and 5.5% to 7.5% for employees.

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

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	100	112
Employees' contributions	40	46
<b>Total contributions</b>	<b>140</b>	<b>158</b>
 <b>Principal actuarial assumptions</b>	 <b>2017</b>	 <b>2016</b>
	%	%
Rate of increase in salaries	3.2	3.4
Rate of increase for pensions in payments	2.4	2.1
Discount rate	2.5	2.0

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 16 Pensions and similar obligations (continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	26.2	26.6

The academy trust's share of assets in the scheme are:

	2017 £'000	2016 £'000
Equities	1,918	1,557
Bonds	420	368
Property	158	129
Cash	132	108
Total market value of assets	2,628	2,162

#### Amounts recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	109	53
Net interest cost	32	34

#### Changes in the present value of defined benefit obligations

	2017 £'000
Obligations at 1 September 2016	3,712
Current service cost	209
Interest cost	76
Employee contributions	40
Actuarial loss	(213)
Benefits paid	(47)
At 31 August 2017	3,777

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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

Changes in the fair value of the academy trust's share of scheme	2017 £'000
Assets at 1 September 2016	2,162
Interest income	44
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	329
Employers contributions	100
Employee contributions	40
Benefits paid	(47)
At 31 August 2017	2,628

	2017 £'000	2016 £'000
Net expenditure	(411)	(528)
Capital grants and similar income	(23)	(24)
Investment income	(1)	(1)
FRS102 pension costs less contributions payable	109	53
FRS102 pension finance costs	32	34
Depreciation of tangible fixed assets	519	534
(Increase)/Decrease in debtors	(86)	211
Increase/(Decrease) in creditors	91	(1,859)
Net cash inflow/(outflow) from operating activities	230	(1,580)

### 18 Analysis of cash and cash equivalents

	At 31 August 2017 £'000	At 31 August 2016 £'000
Cash at bank and in hand	1,053	803

### 19 Commitments under operating leases

	At 31 August 2017 £'000	At 31 August 2016 £'000
Amounts due within one year	9	9
Amounts due in two and five years	11	20
	20	29

# AUDENSHAW SCHOOL ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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### **20 Capital commitments**

The academy has no capital commitments at the year end.

### **21 Related party transactions**

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year, other than certain Governors' remuneration already disclosed in Note 9.

### **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.