



**ALTUS EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Period 23 January to 31 August 2017**

Company Number: 10578239

THURSDAY



A6XF6TWW

A23

11/01/2018

#39

COMPANIES HOUSE

Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4 - 8
Governance Statement	9 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Report on Regularity	19 - 20
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	24 - 28
Other Notes to the Financial Statements	29 - 41

Reference and Administrative Details

Period 23 January to 31 August 2017

Members

These accounts cover the period 23 January 2017 to 31 August 2017 when the Altus Education Partnership registered as a company with Companies House. The Governing Body of Rochdale Sixth Form College, who at the time, were a designated Sixth Form College, created the Altus Education Partnership. On 1 April 2017 when Rochdale Sixth Form College (RSFC) converted to academy status, it became the second sixth form college to do so and the first to convert into and lead a MAT. The conversion of RSFC and joining of the Altus Education Partnership on 1 April 2017 initiated the start of trading for the Altus Education Partnership. As at the end of the reporting period, the MAT only contains one academy (RSFC).

Board of Trustees & Governors	Date of appointment	Position
Dame Pamela Coward (Chair)	23 January 2017	Trustee
Richard Bramwell (Vice Chair)	5 March 2017	Trustee
Stephen Beckwith *	5 March 2017	Trustee
Rodger Owen *	5 March 2017	Trustee
Kitsa Efthymiadis	5 March 2017	Trustee
Jock Rodger	5 March 2017	Trustee
Jo Wiggans	5 March 2017	Trustee
Susan Gettings	5 March 2017	Trustee
Michael Gosling *	5 March 2017	Trustee
Rupert Ward *	28 April 2017	Trustee
Julian Appleyard *	17 April 2017	Trustee

*Members of the Finance & Resources Committee (F&R)

Company Secretary: Joy Bell appointed 5 April 2017

Senior Management Team:	Executive Principal & CEO	Julian Appleyard
	Partnership Director: Performance	Ruth Szolkowska
	Senior Vice Principal Finance and Resources	Joy Bell

Company Name: Altus Education Partnership

Principal and Registered Office: College Road, Rochdale OL12 6HY

Independent Auditor: Wylie & Bisset LLP
168 Bath Street, Glasgow G2 4TP

Bankers:	Lloyds Banks	Barclays Bank
	8 th Floor, 40 Spring Street	Level 1, 20 Chapel Street
	Manchester M2 1EN	Liverpool L3 9AG

Solicitors: Walker Morris
Kings Court, 12 Kings Street
Leeds LS1 2HL

ALTUS EDUCATION PARTNERSHIP Financial Statements for the period ended 31 August 2017

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 23 January 2017 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates currently one academy, RSFC, for students aged 16 to 19 based in central Rochdale and serving the local area. 90% of students live or attend a school in the Rochdale local authority area. serving a catchment area in Rochdale. It has a student capacity in excess of 1550 and a lagged learner number calculated from the academic year 2015/16 of 1407.

Structure, Governance and Management

Constitution

The academy trust 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 trust. The trustees of Altus Education Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is known as Altus Education Partnership.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

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' indemnity provisions are described in note 11 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees of the company shall be not less than three in total. . The categories of trustees are as follows:

- Up to 12 appointed by members
- The Executive Principal/Chief executive Officer (ex-officio, appointed by members)
- Co-opted trustees (appointed by the Board).

The members appoint trustees by written resolution through recommendation by the Chair of the Trustees following a skills audit and gap analysis. If necessary, the Board will advertise and interview prospective Trustees.

Newly appointed Trustees are invited to tour the academy and meet key staff with responsibilities for core functions. Strategic seminars take place twice a year where presentations from the Trust's management surrounding risk and opportunities are delivered. Trustees have the opportunity to review the Trusts strategic direction and review the risk appetite.

Organisational Structure

The Trust Board agreed a Scheme of Delegation on 5 April 2017. This scheme sets out the decision-making responsibilities of the Members, Board of Trustees, the CEO, Academy Principals and the Local Academy Council. Decisions affecting the Principal of an academy and the Senior Leaders of

Trustees' Report (continued)

the Trust are made in conjunction with the Trust Board, for example pay and remuneration, appointments and dismissals. The Principal of each academy is accountable for decisions affecting staff at the individual academy. The Executive Principal/CEO is the Chief Accounting Officer and the Finance Director of the Trust the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Scheme of Delegation requires the Board of Trustees to approve pay recommendation for senior staff, these being the Executive Principal/CEO, Partnership Director Performance, Finance Director and the Senior Vice Principal – Finance and Resources. Cost of living pay recommendations are benchmarked against the Sixth Form College Association's pay settlement recommendations for Teachers and Support Staff.

Related Parties and other Connected Charities and Organisations

From 23 January to 31 August 2017, there were no related party transactions nor transaction through subsidiary companies.

Objectives and Activities

Objects and Aims

The objective of the Trust is to create a family of schools, which enables every student to progress to a career, life and employment path of their choice.

This will be achieved by:

- Investing in education infrastructure
- Remaining financially viable, working effectively within the financial constraints of the funding methodology and maximising available efficiency savings.

Objectives, Strategies and Activities

The objectives for the period to 31 August 2017 were:

- To deliver a high standard of educational provision at the academy (Rochdale Sixth Form College);
- To establish the Altus Education Partnership as a company including the governance structure and key trust appointments;
- To convert Rochdale Sixth Form College, a designated sixth form college to an academy within the Altus Education Partnership;
- To implement infrastructure with the capability to support schools including an integrated finance, HR and payroll system;
- To comply with statutory duties for example HMRC, Companies House and Data Protection requirements.

Public Benefit

In exercising its powers and duties the Trust Board has complied with its duties to have due regards to the Charity Commissions guidance on Public Benefit. The main public benefit delivered by the Trust was high quality A Level provision for 16-18 year old students in the Borough of Rochdale.

Trustees' Report (continued)

Achievements and Performance

In January 2017, The Altus Education Partnership was created and on 1 April, Rochdale Sixth Form College successfully converted to academy status and joined the Trust.

Rochdale Sixth Form College achieved a 99% pass rate at A Level and was a top 25% provider in terms of progress (ALPS).

Financial performance is monitored throughout the year through monthly management accounts and termly reports to the Trust Board. The financial performance of the College remains strong:

- Actual expenditure did not exceed planned expenditure
- Reserves are available to fund capital expenditure (IT replacement and building projects)
- Financial forecasts are prepared to ensure the Trust remains a going concern.

Key Performance Indicators

In January 2016 the College achieved the highest score for A Level progress in the country for sixth form colleges for the fourth consecutive year. The progress score for 2015/16 was 0.33. Provisional data released from the Department of Education data checking website in November 2017 indicates that the College will have a score for 2016/17 of 0.38, an increase compared to previous years. The scores for 2015/16 and 2016/17 now include a retention variable which indicates that students enrolling at the RSFC have relatively high levels of retention compared to other colleges and schools delivering A Levels.

The ALPS quality indicator for A Level was a grade 3, placing RSFC in the top 25% across the country and for AS a grade 2 was achieved which equates to a top 15% provider.

AS and A Level pass rates were consistent with the previous year at 92% and 99% respectively.

~~The target of 99% staff attendance was achieved and days lost due to illness decreased from 2.3 per employee in 2015/16 to 1.9 in 2016/17 against a target of 2.5 days.~~

The College maintains the outstanding status achieved in 2013.

Going Concern

After making appropriate enquiries the Trustees have reasonable expectation that the Altus Education Trust has adequate resources to continue to operate in the foreseeable future and is able to adopt the going concern basis in preparing the financial statements. This assessment has been made through the consideration of student recruitment, lagged learner numbers, cash reserves in the bank and quality of provision in addition to an assessment of external risks. These risks include the supply and quality of other 16-18 A Level provision with the ability to serve the Rochdale area.

Financial Review

The total incoming resources of the Trust for the five-month period to 31 August 2017 were £9,184,000, which included £5,716,000 in respect of the recognition of assets and liabilities on conversion to academy status.

The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency, in the form of recurrent grants. Total funding received for the Trust's educational operations in the period was £3,447,000, with other income and investments amounting to £21,000.

Trustees' Report (continued)

Total outgoing resources for the period were £3,069,000, which related to the direct provision of educational operations. The total net income was £399,000, after deducting the income of £5,716,000 introduced on conversion. This comprises net income of £469,000 on restricted general funds and net expenditure of £70,000 on restricted fixed asset funds.

Fixed asset additions during the period amounted to £134,000, comprising £31,000 for building modifications and £103,000 for IT equipment. Fixed asset disposals at original cost amounted to £1,607,000, the majority of which were fully depreciated items of IT equipment transferred on conversion. The remainder, with a net book value of £62,000, were transferred to expenditure in the period, as each item was below the Trust's capitalisation level.

Altus Education Partnership held cash balances of £5,323,000 at the period end of 31 August 2017.

At the period end the Trust's total reserves were £6,056,000 comprising restricted funds, of which restricted fixed asset funds were £2,449,000.

At 31 August 2017 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Trust.

Reserves Policy

The Trustees review reserve levels of the Altus Education Partnership annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, future uncertainties in funding and costs, as well as the development of future strategy. The Trust's current level of free reserves is zero.

Restricted reserves amount to £6,056,000 which include the fixed asset reserve of £2,449,000 and the pension deficit of £635,000. The Trustees believe that the current level of reserves is in line with the Trust's policy to protect against future uncertainties highlighted in the risk register, to cover fluctuations and timing differences between cash receipts and payments, and to enable the future strategic objectives for the sixth form college and the expansion of the multi-academy trust to be delivered.

Investment Policy

The Trust has adopted a low-risk strategy to investment. All surplus cash is held in accounts of major banking institutions, with a proportion being deposited in notice accounts to enhance the interest return. The Trustees approve any new accounts and deposits.

Principal Risks and Uncertainties

The Trust has a risk management policy framework in place, which is reviewed and approved by the Trust Board annually. The Audit and Risk Committee review the operation of the framework three times a year through the receipt of the risk register and risk management update. Significant risks and risk increasing in severity are individually reviewed and annual evaluation of controls is presented to the Trust Board annually. This is to ensure that risks are not being under or over controlled and ultimately determines the risk appetite of the Trust.

Trustees' Report (continued)

The principal risks to the year-end 31 August 2017 were:

- The reduction in funding for 16-18 students and the impact of the schools funding formula changes moving forward in the MAT.
- The risk of statutory compliance requirements relating to the conversion from a designated Sixth Form College to an academy. Planned controls were to be in place and throughout the period, these risks fell below the risk appetite.

Altus Education Partnership manages its financial risk through its risk management processes and the formulation of its reserves policy. The Trust holds no financial instruments in addition to bank balances, trade creditors and minimal debtors' balances.

Plans for Future Periods

The Altus Education Partnership will continue to provide A Level provision within the Rochdale area. The departure of the CEO/Executive Principal of the Altus Education Partnership has driven the decision by the Trustees that a period of leadership consolidation is required before the Trust accepts any new academies. The Trust will be submitting an application for a free school to accommodate pupil places required within the Middleton areas of the Borough as determined by the local authority. The free school will be the second academy to join the Trust if the bid is successful.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not act as a custodian trustee for any other charities.

Auditor

Insofar 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.

The current auditors were appointed on 5 July 2017.

The Board of Trustees, approved trustees' report, incorporating a strategic report, as the company directors, 13 December 2017.



Dame Pamela Coward
Trustee

13 December 2017

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Altus Education Partnership 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 Executive Principal & CEO, 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 Altus Education Partnership 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. The Trust have appointed RSM as internal auditors to assist them in this duty with a breadth of programme able to offer a full assurance.

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 formally met twice during the period. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dame Pamela Coward (Chair)	2	2
Richard Bramwell (Vice Chair)	2	2
Stephen Beckwith	2	2
Rodger Owen	2	2
Kitsa Efthymiadis	2	2
Jock Rodger	1	2
Jo Wiggans	2	2
Susan Gettings	2	2
Michael Gosling	1	2
Rupert Ward	0	1
Julian Appleyard	2	2

Governance Reviews:

A governance review has been scheduled for November 2017 as a component of the internal audit plan for 2017/18, the outcome. Prior to the Altus Education Partnership governance and risk management, we reviewed annually and reported to the Governing Body. Reports confirmed the College had strong controls in place. A full internal audit report will be presented to the Risk and Audit Committee in March 2017, which is within the timescale required of 12 months.

Governance Statement (continued)

The Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

1. To consider and advise the Board on any matter relating to Trust policy within the Committee's remit, including but not limited to:
 - (a) Financial matters including investment and borrowing
 - (b) Risk management
 - (c) Land, buildings and estates
 - (d) Human resources
 - (e) Health & Safety
2. To monitor established Trust policies and to recommend changes thereto as necessary.
3. To recommend the annual estimates of income and expenditure for approval by the Board.
4. To consider, at each meeting, a monitoring report on progress in implementing the Risk Management Plan.
5. To monitor the deployment of non-financial resources, including personnel and property, with a view to advising the Board on the effectiveness of the use of such resources.
6. To advise the Board on any course of action regarding the Trust in any respect or, in urgent circumstances, to consider and determine such action, subject to the action being reported to the next meeting of the Board
7. To deal with any matters specifically referred by the Board or by the CEO.

The Committee has considered the financial risk associated with the risks identified on the risk register, reviewed and recommended the budget for 2016/17 and agreed to the release of reserves to extend the ground floor of RSFC during the summer period of 2018.

Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Beckwith	0	1
Rodger Owen	1	1
Michael Gosling	0	1
Rupert Ward	1	1
Julian Appleyard	1	1

The Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to:

1. To advise the Board of Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness.
2. To advise the Board on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS).
3. To advise the Board on the scope and objectives of the work of the IAS, the financial statements auditor.
4. To ensure effective coordination between the IAS and the financial statements auditor.

Governance Statement (continued)

The Audit and Risk Committee (continued)

5. To consider and advise the Board on the financial statements/external audit strategy and annual internal audit plans for the IAS.
6. To advise the Board on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor and management's responses to these.
7. To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements and regularity auditor's management letters.
8. To establish, in conjunction with Trust management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
9. To produce an annual report for the Board of Trustees and Accounting Officer, which should include the Committee's advice on the effectiveness of the Trust's risk management, control and governance processes, and any significant matters arising from the work of the IAS and the financial statements auditor. This report will inform the Board of Trustees and the Accounting Officer when considering the Annual Statement of Internal Control.
10. To ensure that all allegations of fraud and irregularity are properly followed up.
11. To be informed of all additional services undertaken by the IAS and the financial statements auditors.

Trustee

Jock Rodger
Kitsa Efthymiadis
Susan Gettings
Jo Wiggans

For this part of the year, The Trust Board dealt with business for the Audit and Risk Committee. The internal auditor's visit 2 and annual report were presented along with the appointment of the internal and external auditors for the Altus Education Partnership.

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees. This establishes where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Governance Statement (continued)

Review of Value for Money (continued)

- Delivering outstanding outcomes for A Level students in the Rochdale MDC area.
- Reviewing financial systems and procedures and procuring an integrated Finance, HR and payroll package with online requisitioning capable of delivering back office efficiencies when further academies join the Trust
- Reviewing and recommending Financial Procedures for the Altus Education Partnership.

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 Altus Education Partnership for the period 23 January to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 23 January to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal 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 trustees
- regular reviews by the Finance and Resources 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
- financial regulations and procedures (asset purchase or capital investment)
- delegation of authority and segregation of duties
- identification and management of risks
- fraud risk assessment and a fraud response plan.

Governance Statement (continued)

The Risk and Control Framework (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM UK Audit LLP as internal auditors. The plan is developed in discussion with senior management after a review of the risk register, external drivers such as changes in legislation, and new areas of business as directed by the strategic plan. The plan is adequate in breadth to enable the internal auditors to provide a full assurance to the Audit and Risk Committee.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- payroll
- employee performance management

On a termly basis, reports are presented to the board of trustees, through the **Audit and Risk Committee**, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Two visits were carried out in the academic year 2016/17, the first was completed prior to the period covered by this annual report and financial statements. The second visit was reported to the Audit Committee of RSFC after the Altus Education Partnership was registered at Companies House but prior to 1 April 2017 when RSFC converted into the Trust and trading commenced. Substantial assurance was awarded in the internal auditor's annual report.

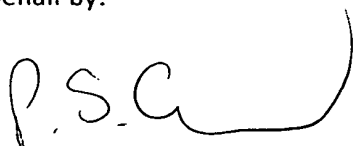
Review of Effectiveness

As accounting officer the Executive Principal & CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

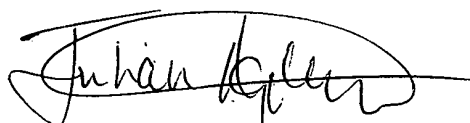
- the work of the internal auditors
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework through the risk management annual report review of controls effectiveness.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee. No medium or high level recommendations were made and good progress has been made in implementing the three low level recommendations.

Approved by order of the members of the board of trustees on 13 December 2017 and signed on its behalf by:



Dame Pamela Coward
Chair of Trustees



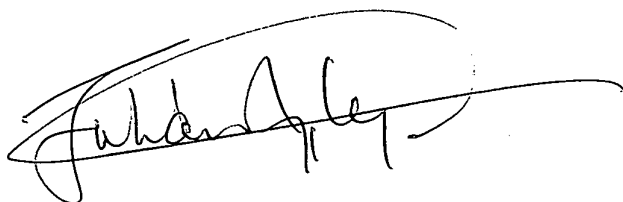
Julian Appleyard OBE
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of Altus Education Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust 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 2016.

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 ESFA.

A handwritten signature in black ink, appearing to read 'Julian Appleyard', with a large, sweeping flourish extending to the right.

Julian Appleyard OBE

Accounting Officer

13 December 2017

Statement of Trustees' Responsibility

The trustees (who act as governors of Altus Education Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements 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 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 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 grants received from ESFA/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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 13 December 2017 and signed on its behalf by:



Dame Pamela Coward

Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of Altus Education Partnership for the year ended 31 August 2017

Opinion

We have audited the financial statements of Altus Education Partnership (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

Independent Auditor's Report on the Financial Statements to the Members of Altus Education Partnership for the year ended 31 August 2017 (continued)

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.

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 15, the trustees, who are also the directors of Altus Education Partnership 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 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.

Independent Auditor's Report on the Financial Statements to the Members of Altus Education Partnership for the year ended 31 August 2017 (continued)

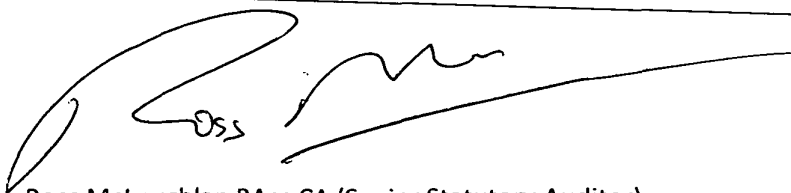
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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. 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: 13/12/17

Chartered Accountants
Statutory Auditor
168 Bath Street,
Glasgow
G2 4TP

Independent Reporting Accountant's Assurance Report on Regularity to Altus Education Partnership and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 June 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 Altus Education Partnership during the period 23 January 2017 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 Altus Education Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Altus Education Partnership 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 Altus Education Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Altus Education Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Altus Education Partnership's funding agreement with the Secretary of State for Education dated 1 April 2017 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;

Independent Reporting Accountant's Assurance Report on Regularity to Altus Education Partnership and the Education and Skills Funding Agency (continued)

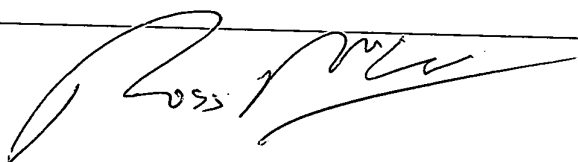
- Consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- Evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- Assessment 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.

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 13/12/17

Statement of Financial Activities for the period ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
Income and endowments from:					
Donations and capital grants	3	-	-	-	-
Transfer from Rochdale Sixth Form College on conversion	27	-	3,197	2,519	5,716
Charitable activities:					
Funding for the academy trust's educational operations	4	-	3,199	248	3,447
Other trading activities	5	-	17	-	17
Investments	6	-	4	-	4
Total		-	6,417	2,767	9,184
Expenditure on:					
Raising funds					
Charitable activities:					
Academy trust educational operations	8	-	2,751	318	3,069
Other		-	-	-	-
Total		-	2,751	318	3,069
Net income / (expenditure)		-	3,666	2,449	6,115
Transfers between funds	16	-	59	-	59
Other recognised gains / (losses):					
Actuarial (losses) on defined benefit pension schemes	25	-	(118)	-	(118)
Net movement in funds		-	3,607	2,449	6,056
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		-	3,607	2,449	6,056

Balance Sheet as at 31 August 2017

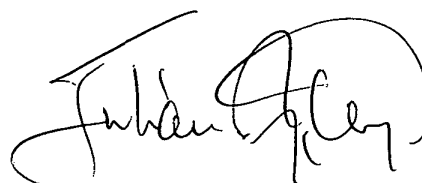
Company Number: 10578239

	Notes	2017 £000	2017 £000
Fixed assets			
Tangible assets	12		21,450
Current assets			
Debtors	13	152	
Cash at bank and in hand		<u>5,323</u>	
		5,475	
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(1,178)</u>	
Net current assets			<u>4,297</u>
Total assets less current liabilities			25,747
Creditors: Amounts falling due after more than one year	15		(19,056)
Net assets excluding pension liability			<u>6,691</u>
Defined benefit pension scheme liability	25		<u>(635)</u>
Total net assets			<u>6,056</u>
Funds of the academy trust:			
Restricted funds			
. Fixed asset fund	16	2,449	
. Restricted income fund	16	4,242	
. Pension reserve	16	<u>(635)</u>	
Total restricted funds			6,056
Unrestricted income funds	16		
Total funds			<u>6,056</u>

The financial statements on pages 21 to 41 were approved by the trustees and authorised for issue on 13 December 2017 and are signed on their behalf by



Dame Pamela Coward
Chair of Trustees



Julian Appleyard
Accounting Officer

Statement of Cash Flows for the period ended 31 August 2017

	Notes	2017 £000
Cash flows from operating activities		
Net cash provided by operating activities	19	846
Cash flows from investing activities	21	(89)
Cash flows from financing activities	20	-
Change in cash and cash equivalents in the reporting period		<u>757</u>
Cash and cash equivalents at 1 April 2017		4,566
Cash and cash equivalents at 31 August 2017	22	<u>5,323</u>

Notes to the Financial Statements for the period ended 31 August 2017

1 Statement of 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.

Basis of Preparation

The financial statements 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 ESFA, the Charities Act 2011 and the Companies Act 2006.

Altus Education Partnership meets the definition of a public benefit entity under FRS 102.

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 at least one year from the date of authorisation for issue of the financial statements 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 financial statements.

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**

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

- **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 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.

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 allocated on the portion of the asset's use.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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 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:

• Freehold buildings	50 years
• Building refurbishments	15 years
• Technical equipment	15 years
• Fixtures, fittings and equipment	10 years
• Computer hardware	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 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.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 part 11, chapter 3 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.

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.

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 25, 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 recognised in the period to which they relate.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

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.

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 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 Skills Funding Agency.

Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2017.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Capital grants	-	-	-
	-	-	-

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
DfE / EFA grants			
. General Annual Grant (GAG)	-	2,929	2,929
. Start Up Grants	-	-	-
. Releases of government grants	-	248	248
. Other DfE/EFA grants	-	270	270
	-	3,447	3,447
Other Government grants			
. Local authority grants	-	-	-
. Special educational projects	-	-	-
	-	-	-
Other income from the academy trust's educational operations			
	-	-	-
	-	3,447	3,447

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Sale of Fixed Assets	-	3	3
Other Income	-	14	14
	-	17	17

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Short term deposits	-	4	4
	-	4	4

7 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises Other £000 £000		Total 2017 £000
Expenditure on raising funds				
Academy's educational operations:				
Direct costs	1,561	125	454	2,139
Allocated support costs	360	99	470	929
	1,921	224	924	3,069

Net income/(expenditure) for the period includes:

	2017 £000
Depreciation	318
(Gain)/loss on disposal of fixed assets	62
Fees payable to auditor for:	
- audit	11
- other services (Finance Director interview)	1

Included within expenditure are the following transactions.

	Total £	Individual items included above Amount £	Reason
Compensation Payments	5,250	5,250	Notice period settlement fee
Fixed Asset Losses	41,921	12,928	360 x internal San Disks – individual costs less than £500
		28,993	51 x Projectors - individual costs less than £500
		47,171	

ALTUS EDUCATION PARTNERSHIP

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

8 Charitable activities

	Total 2017 £000
Direct costs – educational operations	2,139
Support costs – educational operations	929
	<u>3,069</u>

Analysis of support costs	Educational operations £000	Total 2017 £000
Support staff costs	360	360
Depreciation	140	140
Technology costs	76	76
Premises costs	99	99
Other support costs	224	223
Governance costs	30	30
Total support costs	<u>929</u>	<u>929</u>

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £000
Wages and salaries	1,522
Social security costs	145
Operating costs of defined benefit pension schemes	205
	<u>1,872</u>
Supply staff costs	50
	<u>1,922</u>

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

b. Staff numbers

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

	2017 No.	2017 FTE
Teachers	68	65.6
Administration and support	46	38.8
Management	8	7.8
	<u>122</u>	<u>112.2</u>

c. Higher paid staff

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

	2017 No.
£60,001 - £70,000	1
£70,001 - £80,000	2
£131,000 - £140,000	<u>1</u>
	4

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £189,497.

10 Related Party Transactions – Trustees’ remuneration and expenses

The trustees have not been paid remuneration or other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

11 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £351. The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

12 Tangible fixed assets

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost				
At 1 April 2017	23,829	1,445	2,415	27,688
Additions	22	9	103	134
Disposals	(5)	(10)	(1,592)	(1,607)
At 31 August 2017	23,846	1,443	926	26,215
Depreciation				
At 1 April 2017	2,943	1,026	2,022	5,992
Charged in year	194	46	78	318
Disposals	-	(4)	(1,540)	(1,545)
At 31 August 2017	3,137	1,067	560	4,765
Net book values				
At 1 April 2017	20,886	418	392	21,696
At 31 August 2017	20,709	376	365	21,450

13 Debtors

	2017 £000
Trade debtors	0
VAT recoverable	80
Other debtors	0
Prepayments and accrued income	72
	<u>152</u>

14 Creditors: amounts falling due within one year

	2017 £000
Trade creditors	61
Other taxation and social security	162
Other creditors	694
Accruals and deferred income	261
	<u>1,178</u>

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

15 Creditors: amounts falling due in greater than one year

	2017 £000
Other creditors	19,056
	<u>19,056</u>

16 Funds

	Balance at 1 April 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	3,714	2,928	(2,751)	59	3,950
Other DfE/ESFA grants	-	270	-	-	270
Other income	-	22	-	-	22
Pension reserve	(517)	-	-	(118)	(635)
	<u>3,197</u>	<u>3,220</u>	<u>(2,751)</u>	<u>(59)</u>	<u>3,607</u>
Restricted fixed asset funds					
Transfer on conversion	2,519	-	(318)	-	2,201
DfE/ESFA capital grants	-	248	-	-	248
Total-restricted-funds	<u>2,519</u>	<u>248</u>	<u>(318)</u>	<u>-</u>	<u>2,449</u>
Total unrestricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>5,716</u>	<u>3,468</u>	<u>(3,069)</u>	<u>(59)</u>	<u>6,056</u>

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

General Annual Grant must be used for the normal running of the academy trust.

Other DfE/ESFA grants represent formula protection funding which is part of the General Annual Grant and must be used for the same purpose.

Other income comprises sources of revenue derived from restricted funds.

Restricted fixed asset funds comprise the assets recognised on conversion from the sixth form corporation to the academy trust to which is added the annual release of capital grants. Resources expended from these funds represent annual depreciation charges.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. The restricted reserves carried forward will be utilised in accordance with the academy trust's reserves policy.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

16 Total funds analysis by academy (continued)

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000
Rochdale Sixth Form College	6,691
Pension reserve	(635)
Total	6,056

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000
Rochdale Sixth Form College	1,561	360	242	513	2,676
Academy Trust	1,561	360	242	513	2,676

17 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	21,450	21,450
Current assets	-	5,420	55	5,475
Current liabilities	-	(1,178)	-	(1,178)
Non-current liabilities	-	-	(19,056)	(19,056)
Pension scheme liability	-	(635)	-	(635)
Total net assets	-	3,607	2,449	6,056

ALTUS EDUCATION PARTNERSHIP Financial Statements for the period ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

18 Capital commitments

**2017
£000**

Contracted for, but not provided in the financial statements

3

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

**2017
£000**

Net income/(expenditure) for the reporting period (as per the statement of financial activities)

6,115

Adjusted for:

(5,716)

Transfer on conversion to MAT

318

Depreciation

(248)

Capital grants from DfE and other capital income

59

Disposal of FA

(4)

Interest receivable

2

Bad Debt written off

59

FRS17 charges

47

Decrease in debtors

214

Increase in creditors

846

Net cash provided by Operating Activities

20 Cash flows from financing activities

**2017
£000**

Repayments of borrowing

-

Cash inflows from new borrowing

-

Net cash provided by financing activities

-

21 Cash flows from investing activities

**2017
£000**

Dividends, interest and rents from investments

4

Proceeds from sale of tangible fixed assets

3

Purchase of tangible fixed assets

(134)

Capital grants from DfE/EFA

38

Net cash used in investing activities

(89)

22 Analysis of cash and cash equivalents

**At 31 August
2017**

£000

Cash in hand and at bank

3,105

Notice deposits (less than 3 months)

2,218

Total cash and cash equivalents

5,323

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

23 Contingent liabilities

There are no Contingent Liabilities.

24 Members liability

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

25 Pension 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 Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £67,995 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:

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

25 Pension and similar obligations (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £242,121.

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £66,475, of which employer's contributions totalled £47,094 and employees' contributions totalled £19,381. The agreed contribution rates for future years are 15.4 per cent for employers and bands 5.5 to 9.4 per cent for employees dependent on salary. We also have employees in a 50/50 pension scheme where their contribution is set at 2.75 per cent.

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.

Principal actuarial assumptions

At 31 August 2017

Rate of increase in salaries	3.20%
Rate of increase for pensions in payment/inflation	2.40%
Discount rate for scheme liabilities	2.50%
Inflation assumption (CPI)	2.40%

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

25 Pension 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:

	At 31 August 2017
<i>Retiring today</i>	
Males	21.5
Females	24.1
<i>Retiring in 20 years</i>	
Males	23.7
Females	26.2

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

	Fair value at 31 August 2017 £000
Equity instruments	1,638
Bonds	359
Property	135
Cash	112
Total market value of assets	2,244

The actual return on scheme assets was £635,000 (2016: £517,000)

Amount recognised in the statement of financial activities

	2017 £000
Current service cost (net of employee contributions)	100
Net interest cost	6
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	12
Total operating charge	118

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

25 Pension and similar obligations (continued)

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

	2017 £000
At 1 April	
Upon conversion	2,611
Current service cost	100
Interest cost	30
Employee contributions	19
Actuarial (gain)/loss	-
Benefits paid	(9)
Plan introductions, benefit changes, curtailments and settlements	128
At 31 August	2,879

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

	2017 £000
At 1 April	2,094
Upon conversion	-
Interest income	24
Return on plan assets (excluding net interest on the net defined pension liability)	19
Actuarial gain/(loss)	-
Employer contributions	47
Employee contributions	-
Benefits paid	(9)
Plan introductions, benefit changes, curtailments and settlements	69
At 31 August	2,244

26 Related Party Transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

27 Conversion to an Academy Trust

On 1 April 2017 Rochdale Sixth Form College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ALTUS Education Partnership from Rochdale Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as £5,716,000.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
. Freehold land and buildings	-	-	20,886	20,886
. Other tangible fixed assets	-	-	810	810
 LGPS pension surplus / (deficit)	-	(517)	-	(517)
Trade and other receivables	-	199	-	199
Cash and cash equivalents	-	4,565	-	4,565
Creditors	-	(1,050)	(19,177)	(20,227)
Net assets	-	3,197	2,519	5,716

28 Events after the end of the reporting period

The Executive Principal and CEO (J Appleyard) has submitted his notice and will leave the Altus Education Partnership in March 2018.

The Partnership Director: Performance (R Szolkowska) has left Altus Education Partnership in September 2017.