



ALTUS EDUCATION PARTNERSHIP
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year to 31 August 2019

Company Number: 10578239



Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4 - 9
Governance Statement	10 – 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Report on Regularity	20 - 21
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements, incorporating Statement of Accounting Policies	25 - 29
Other Notes to the Financial Statements	30 - 42

Reference and Administrative Details

Members	Dame Pamela Coward Stephen Wetton (resigned 4 October 2018) Ian James Darren Randle (appointed 27 September 2018) Edward Carpenter (appointed 30 October 2018)	
Trustees	Dame Pamela Coward (Chair) Richard Bramwell (Vice chair) Stephen Beckwith Kitsa Efthymiadis Susan Gettings Aleksandra Hartshorne (appointed 6 November 2018) Jennifer Hulme (appointed 13 December 2018) Rodger Owen Darren Randle (appointed 27 September 2018, removed 13 June 2019) Jock Rodger Jo Wiggans Rupert Ward Richard Ronksley	
Company Secretary	Joy Bell (removed 13 December 2019) Maria Jorysz (appointed 13 December 2019)	
Key management personnel:		
Executive Principal & CEO	Richard Ronksley	
Senior Vice Principal	Joy Bell (resigned 17 January 2019)	
Deputy Principal	Shaheen Shariff (appointed 1 December 2018)	
Deputy Principal	Heather Ellison (appointed 1 January 2019)	
Director of Finance and Resources	Maria Jorysz (appointed 19 November 2018)	
Company Name	Altus Education Partnership	
Registered Office	College Road, Rochdale OL12 6HY	
Independent Auditor	Crowe U.K. LLP The Lexicon, Mount Street, Manchester M2 5NT	
Bankers:	Lloyds Bank 8 th Floor, 40 Spring Street Manchester M2 1EN	Barclays Bank Level 1, 20 Chapel Street Liverpool L3 9AG
Solicitors:	Walker Morris Kings Court, 12 Kings Street, Leeds LS1 2HL	

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. Altus Education Partnership commenced operations on 1 April 2017 when Rochdale Sixth Form College converted to academy status.

The trust operates one academy, Rochdale Sixth Form College, 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 current student body of approximately 1,780 and a lagged learner number calculated from the academic year 2018/19 of 1,666. The admissions policy gives priority to the students within the catchment area, but to date all applicants have been offered a place if they meet the entry criteria of 5 GCSEs or equivalent at grade 9-4 across 4 separate subjects to include English language or mathematics.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee, incorporated in England and Wales, 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 its 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 10 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 Trust's strategic direction and review the risk appetite.

Trustees' Report (continued)

Organisational Structure

The trust board agreed a scheme of delegation on 5 April 2017; that scheme sets out the decision-making responsibilities of the members, board of trustees, the CEO, academy principals/headteachers and local academy councils. Decisions affecting the principal or headteacher of an academy and the senior leaders of the trust are made in conjunction with the trust board, for example pay and remuneration, appointments and dismissals. The principal or headteacher of each academy is accountable for decisions affecting staff at the individual academy. The Executive Principal/CEO is the Chief Accounting Officer and the Director of Finance and Resources of the Trust is the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The scheme of delegation requires the trust board to approve pay recommendations for senior staff. Cost of living pay recommendations are benchmarked against the Sixth Form College Association's pay settlement recommendations for teachers and support staff.

Trade union facility time

The trust currently has two NEU union representatives who were appointed in September 2019. No union representative were in place in the year to 31 August 2019.

Related Parties and other Connected Charities and Organisations

From 1 September 2018 to 31 August 2019, there were no related party transactions.

Objectives and Activities

Objects and Aims

The objective of the trust is to create a family of academies enabling all students, regardless of background, to progress to an aspirational career, a fulfilling life and make a positive contribution to their local community.

The trust will undertake the following.

Provide students with a high quality of education in all of our academies by:

- Delivering excellent teaching and learning across the MAT which results in our students achieving at the highest possible level; as a result they will be able to progress positively to the next stage of their local, national or international education, training or employment.
- Closing gaps in prior achievement between groups so that all students, regardless of their social characteristics or background, make excellent progress.
- Ensuring all of our academies offer our students a dynamic and 'joined-up' curriculum which promotes students' academic progress, emotional wellbeing, community involvement and the wider skills needed for later life, learning and employment.
- Committing ourselves to ensuring that all academies in the partnership are judged at least good by Ofsted.
- Developing transition pathways between the key stages so that students move smoothly through the different levels of their education.

Trustees' Report (continued)

Objectives and Activities (continued)

Recruit, retain and professionally develop our staff by:

- Being an attractive employer for prospective high quality staff.
- Working efficiently and collaboratively across the MAT with regard to curriculum, teaching, staffing, facilities, and resources.
- Supporting the health, wellbeing and professional development of all of our staff.
- Recognising and working with support and teaching staff unions.
- Sharing expertise and opportunities between our academies to benefit student learning and the development of staff at all levels.
- Striving to be one of the country's top 100 not-for-profit employers.

Work in partnership to help transform communities, support local businesses and contribute to the wider regeneration of Rochdale by:

- Being an anchor organisation for local communities where our academies are located.
- Making a major contribution towards the development of talent and skills in the local workforce.
- Supporting the local community and economy in our staffing and resourcing.
- Working collaboratively with partners outside the MAT, including the local authority, employers and other education providers at all levels (including other MATs).

Create a financially viable and sustainable MAT by:

- Setting an efficient and effective staffing structure both for teaching and support services.
- Following rigorous financial procedures which ensure the delivery of value for money whilst also minimising risk.
- Distributing resources effectively and according to need so that we maximise the amount of money available for teaching, learning and assessment in our academies.
- Developing an efficient and effective estates strategy which supports the delivery of high quality education across the trust.

Enhance the environmental sustainability of our academies by:

- Raising staff and students' awareness of the need to improve environmental sustainability.
- Minimising waste and improving energy conservation.
- Constructing buildings of excellent design that contribute to the regeneration of the borough and have a positive impact on the environment.
- Incorporating environmental considerations into all purchasing decisions.
- Having trust board oversight of environmental sustainability.

Public Benefit

In exercising its powers and duties the Trust Board has paid due regard to the published guidance from the Charity Commission on the operation of the public benefit requirement under the Charities Act 2006. 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)

Objectives and Activities (continued)

Strategic Report

Financial Performance

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.

Educational Performance

In September 2019 Ofsted identified for the first time the main key performance indicators by which they risk assess Good or Outstanding colleges for inspection:

- Achievement rates
- DfE level 3 performance tables
- GCSE English Language and mathematics progress measures.

Unvalidated data* for Rochdale Sixth Form College for 2018/19 shows:

- An overall achievement rate that is very high at 93%, and around 9% above the national rates for the various different types of post-16 provision.
- A progress score of 0.13 (above average).
- No provisional GCSE progress figure is available at the time of writing, although it is anticipated that it will be positive: all students who entered the college without GCSE English language achieved at least grade 4 by the time they had left. The figure is 84.4% for GCSE mathematics.

*The DfE will publish validated data for 2018/19 in January/February 2020.

The college maintains the outstanding status it achieved in 2013.

In 2018/19 staff attendance was 98%. Average days lost due to illness was 3.6, which includes a number of long-term absences. The average number of days absence, excluding long-term sickness was 2.2, against a target of 2.5.

Going Concern

After making appropriate enquiries the trust board has a 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 year to 31 August 2019 were £7,371,000 (2018: £7,261,000). The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency (ESFA), in the form of recurrent grants. Total funding received for the Trust's educational operations in the period was £7,179,000 (2018: £7,198,000), with capital grants of £145,000 (2018: £40,000) and other income and investments amounting to £47,000 (2018: £23,000).

Trustees' Report (continued)

Strategic Report (continued)

Total outgoing resources for the period were £7,502,000 (2018: £7,323,000), which related to the direct provision of educational operations. The net income on restricted and unrestricted general funds was £464,000, after deducting pension fund charges of £218,000 (2018: £660,000, after deducting pension fund charges of £225,000). The net expenditure on the fixed asset fund is £595,000 (2018: £722,000), giving a total net expenditure of £131,000 (2018: £62,000).

Fixed asset additions during the period amounted to £807,000, comprising £176,000 for the completion of the extension and remodelling of the ground floor study and reception area; £485,000 for building modifications to the fifth floor, creating additional dining and social space; £86,000 for kitchen equipment; and £60,000 for IT equipment.

Altus Education Partnership held cash balances of £4,967,000 at 31 August 2019 (2018: £5,113,000).

At the year end the Trust's total reserves were £25,254,000 (2018: £26,007,000) comprising restricted funds of £25,224,000 (2018: £25,974,000) of which restricted fixed asset funds were £22,008,000 (2018: £21,941,000), and unrestricted funds of £30,000 (2018: £33,000).

At 31 August 2019 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 £30,000.

Restricted reserves amount to £25,224,000 which include the fixed asset reserve of £22,008,000, the restricted income fund of £4,506,000 and the pension deficit of £1,290,000. 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. The target level of income fund reserves is £4,000,000.

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 reviews the operation of the framework three times a year through the receipt of the risk register and risk management update. Significant risks and risks increasing in severity are individually reviewed and an 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.

The principal risks have been identified as follows:

- poor communication with key stakeholders
- failure to ensure an appropriate trust and governance structure

Trustees' Report (continued)

Strategic Report (continued)

- insufficient management capacity to cope with the MAT's expansion
- inadequate planning and development of the MAT infrastructure
- failure to ensure consistency of high standards across the MAT's schools
- the MAT not operating within a sound financial framework.

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.

Fund raising

The Trust is committed to the Fundraising Code of Practice upheld by the Fundraising Regulator.

The Trust does not make direct fundraising appeals. The students, on occasion, carry out fundraising activities to raise funds for charities. No complaints were received concerning The Trust's fundraising activities.

Plans for Future Periods

Through RSFC, the Altus Education Partnership will continue to provide high quality A Level and level 3 BTEC provision together with a relatively small GCSE English language and mathematics retake programme. The trust has been awarded a new free school for the Middleton area with a targeted opening date of September 2022. The trust is also in discussions with three local partner schools with regard to joining the trust. Any decision to expand the trust will be made on the basis of local educational need and our capacity to drive excellence.

Funds Held as Custodian Trustee on Behalf of Others

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

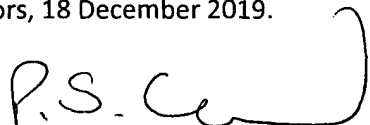
Auditor

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 4 July 2018.

The Board of Trustees approved the trustees' report, incorporating a strategic report, as the company directors, 18 December 2019.



Dame Pamela Coward
Chair of Trustees

18 December 2019

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 has appointed RSM as internal auditor to assist 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 three times during the year. The board has made productive use of a committee structure to assist with the achievement of its responsibilities. 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)	3	3
Richard Bramwell (Vice Chair)	3	3
Stephen Beckwith	1	3
Rodger Owen	3	3
Kitsa Efthymiadis	2	3
Jock Rodger	2	3
Jo Wiggans	2	3
Susan Gettings	2	3
Rupert Ward	0	3
Aleks Hartshorne (appointed 6 November 2018)	1	3
Jennifer Hulme (appointed 6 November 2018)	3	3
Darren Randle (appointed 7 December 18, removed 13 June 2019)	0	2
Richard Ronksley (principal and accounting officer)	3	3

Governance Reviews

A skills audit was undertaken and presented to the Trust Board at its meeting on 24 April 2019.

The Trust Board concluded there were no major areas of concern or gaps. The skills audit will be repeated when the future constitution of the trust board is agreed.

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. consider and advise the Board on any matter relating to Trust policy within the Committee's remit, including but not limited to:
 - financial matters including investment and borrowing
 - risk management
 - land, buildings and estates
 - human resources
 - health & safety
2. monitor established Trust policies and to recommend changes thereto as necessary
3. recommend the annual estimates of income and expenditure for approval by the Board
4. consider, at each meeting, a monitoring report on progress in implementing the Risk Management Plan
5. 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. 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. deal with any matters specifically referred by the Board or by the CEO.

Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Beckwith	2	3
Rodger Owen	3	3
Rupert Ward	0	3
Jennifer Hulme (appointed 6 November 2018)	2	2
Richard Ronksley	2	3

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. 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. advise the Board on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS)
3. advise the Board on the scope and objectives of the work of the IAS, the financial statements auditor
4. ensure effective coordination between the IAS and the financial statements auditor

Governance Statement (continued)

The Audit and Risk Committee (continued)

5. consider and advise the Board on the financial statements/external audit strategy and annual internal audit plans for the IAS
6. advise the Board on internal audit assignment reports and annual reports and on control issues included in the management letters of the external auditor and management's responses to these
7. 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. 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. 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. ensure that all allegations of fraud and irregularity are properly followed up
11. be informed of all additional services undertaken by the IAS and the financial statements auditors.

Trustee	Meetings attended	Out of a possible
Jock Rodger	3	3
Kitsa Efthymiadis	3	3
Susan Gettings	3	3
Jo Wiggans	3	3

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)

- systematically reviewing its staffing to ensure that it continues to deliver outstanding outcomes for A-Level students in the Rochdale Borough
- implementing robust financial systems and procedures for procurement to ensure purchasing efficiencies are realised

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 year from 1 September 2018 to 31 August 2019 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 year from 1 September 2018 to 31 August 2019 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
- 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 auditor.

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:

- reviewing the financial regulations
- reviewing the governance of the multi-academy trust
- testing the nominal ledger and month-end processes
- testing the payroll
- testing student funding

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.

The internal auditor delivered the schedule of work as planned. No material control issues were identified as a result of the internal auditor's work and a report was submitted to the Audit and Risk Committee giving the trust board full assurance on the internal control framework.

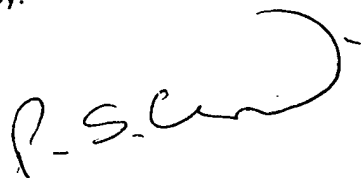
Review of Effectiveness

As accounting officer the 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:

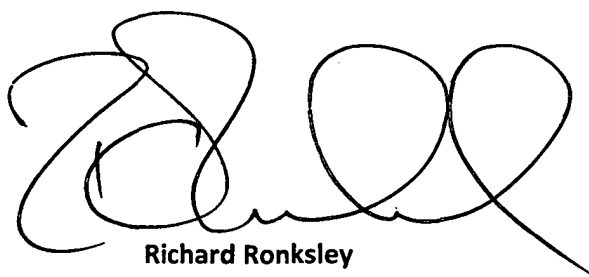
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of the review of the system of internal control by the audit and risk committee. No significant weaknesses were identified and any low-level recommendations have been addressed within the year.

Approved by order of the members of the board of trustees on 18 December 2019 and signed on its behalf by:



Dame Pamela Coward
Chair of Trustees



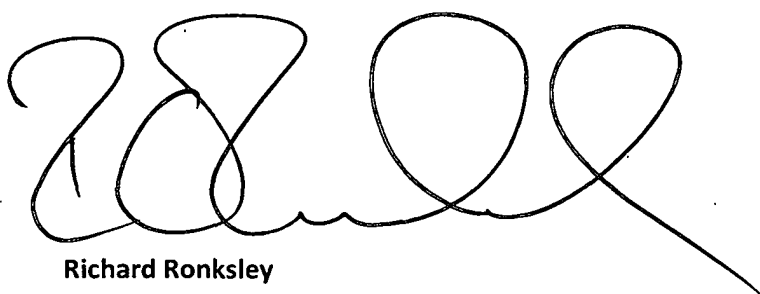
Richard Ronksley
Accounting Officer

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 2018.

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 2018.

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, consisting of a series of loops and a long horizontal stroke extending to the right.

Richard Ronksley

Accounting Officer

18 December 2019

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:

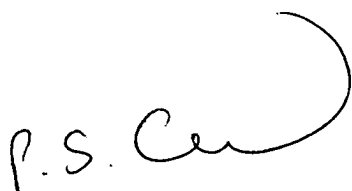
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [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 18 December 2019 and signed on its behalf by:



Dame Pamela Coward

Chair of Trustees

Independent Auditor's Report to the Members of Altus Education Partnership

Opinion

We have audited the financial statements of Altus Education Partnership for the year ended 31 August 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and 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).

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 2019 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Academies' Accounts Direction 2018 to 2019 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have 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 governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's Report to the Members of Altus Education Partnership (continued)

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the governors' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 strategic report or the directors' report included within the governors' report. We have nothing to report in respect of the following matters in relation to which 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 and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out in pages 10 to 14, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Altus Education Partnership (continued)

Auditor's responsibilities for the audit of the financial statements

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. 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jayson
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

18 December 2019

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 25 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Altus Education Partnership Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The accounting officer is responsible, under the requirements of Altus Education Partnership Academy Trust's funding agreement with the Secretary of State of Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the 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 a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

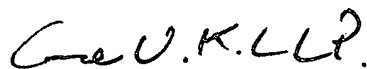
**Independent Reporting Accountant's Assurance Report on Regularity to Altus Education Partnership and the Education and Skills Funding Agency
(continued)**

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

This report is made solely to the governing body and the ESFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Altus Education Partnership Academy Trust and the 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 the governing body and the ESFA, for our review work, for this report, or for the conclusion we have formed.



Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

18 December 2019

Statement of Financial Activities for the year ended 31 August 2019
(including Income and Expenditure Account)

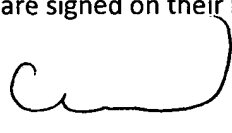
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018/19 £000	Total 2017/18 £000
Income and endowments from:						
Donations and capital grants	2	-	-	145	145	40
Charitable activities:						
Funding for the academy trust's educational operations	3	212	6,967	-	7,179	7,198
Other trading activities	4	11	-	-	11	5
Investments	5	36	-	-	36	18
Total		259	6,967	145	7,371	7,261
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	6, 7	262	6,500	740	7,502	7,323
Total		262	6,500	740	7,502	7,323
Net income / (expenditure)		(3)	467	(595)	(131)	(62)
Transfers between funds	14	-	(662)	662	-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23		(622)		(622)	410
Net movement in funds		(3)	(817)	67	(753)	348
Reconciliation of funds						
Total funds brought forward		33	4,033	21,941	26,007	25,659
Total funds carried forward		30	3,216	22,008	25,254	26,007

Balance Sheet as at 31 August 2019

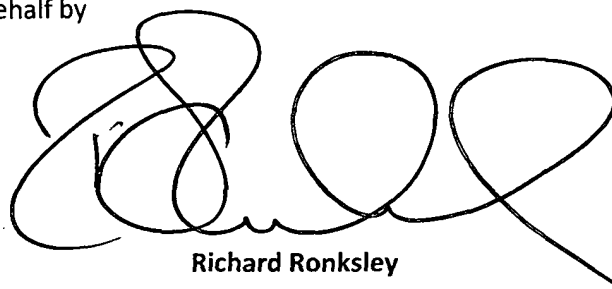
Company Number: 10578239

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		22,008		21,941
Current assets					
Debtors	12	197		252	
Cash at bank and in hand		<u>4,967</u>		<u>5,113</u>	
		5,164		5,365	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(628)</u>		<u>(849)</u>	
Net current assets			<u>4,536</u>		<u>4,516</u>
Total assets less current liabilities			26,578		26,457
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>26,544</u>		<u>26,457</u>
Defined benefit pension scheme liability	23	<u>(1,290)</u>		<u>(450)</u>	
Total net assets			<u>25,254</u>		<u>26,007</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	22,008		21,941	
Restricted income fund	14	4,506		4,483	
Pension reserve	14	<u>(1,290)</u>		<u>(450)</u>	
Total restricted funds			25,224		25,974
Unrestricted income funds	14		<u>30</u>		<u>33</u>
Total funds			<u>25,254</u>		<u>26,007</u>

The financial statements on pages 22 to 42 were approved by the trustees and authorised for issue on 18 December 2019 and are signed on their behalf by

P.S. 

Dame Pamela Coward
Chair of Trustees



Richard Ronksley
Accounting Officer

Statement of Cash Flows for the year ended 31 August 2019

	Notes	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	480	985
Cash flows from investing activities	18	(626)	(1,195)
Change in cash and cash equivalents in the reporting period		<u>(146)</u>	<u>(210)</u>
Cash and cash equivalents at 1 September 2018		5,113	5,323
Cash and cash equivalents at 31 August 2019	19	<u>4,967</u>	<u>5,113</u>

Notes to the Financial Statements for the year ended 31 August 2019

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 FRS102, 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Altus Education Partnership meets the definition of a public benefit entity under FRS102.

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.

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

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

1 Statement of accounting policies (continued)

- **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.

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.

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

1 Statement of accounting policies (continued)

Tangible Fixed Assets (continued)

• Freehold buildings	50 years
• Building improvements	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 and reclassified to freehold or leasehold land and buildings.

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.

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.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

1 Statement of accounting policies (continued)

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.

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.

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

1 Statement of accounting policies (continued)

Pensions Benefits (continued)

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.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and but none has been recognised in the statement of financial activities in 2018/19. The funds received and paid, and any balances held are disclosed in note 24.

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 surrounding the valuation of the local government pension scheme is the sole example for Altus Education Partnership that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 year ended 31 August 2019 (cont'd)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Capital grants	-	145	145	40
	<u>-</u>	<u>145</u>	<u>145</u>	<u>40</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,783	6,783	6,824
Other DfE/EFA grants	-	113	113	56
		<u>6,896</u>	<u>6,896</u>	<u>6,880</u>
Other Government grants				
Local authority grants	-	11	11	4
Other income from the academy trust's educational operations	212	60	272	314
	<u>212</u>	<u>6,967</u>	<u>7,179</u>	<u>7,198</u>

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Hire of facilities	10	-	10	5
Income from ancillary trading activities	1	-	1	-
	<u>11</u>	<u>-</u>	<u>11</u>	<u>5</u>

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Short-term deposits	36	-	36	18
	<u>36</u>	<u>-</u>	<u>36</u>	<u>18</u>

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff Costs £000	Premises £000	Other £000	2018/19 £000	2017/18 £000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
Direct costs	3,582	501	745	4,828	4,467
Allocated support costs	1,583	351	740	2,674	2,856
	<u>5,165</u>	<u>852</u>	<u>1,485</u>	<u>7,502</u>	<u>7,323</u>

Net income/(expenditure) for the period includes:

	2018/19 £000	Total 2017/18 £000
Depreciation	740	754
Loss on disposal of fixed assets	-	8
Fees payable to auditor for:		
- audit	10	10
- other services (corporation tax return)	1	-

Included within expenditure are the following transactions.

	Total £	Individual items included above £5,000	
		Amount £	Reason
Golden hello	2,000		

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

7 Charitable activities

	2018/19 £000	2017/18 £000
Direct costs – educational operations		
Educational supplies	282	260
Other	4,546	4,207
	<u>4,828</u>	<u>4,467</u>
Support costs – educational operations	2,674	2,856
	<u>7,502</u>	<u>7,323</u>

Analysis of support costs	Educational operations £000	Total 2018/19 £000	2017/18 £000
Support staff costs	1,583	1,583	1,691
Depreciation	99	99	109
Technology costs	97	97	77
Premises costs	295	295	302
Other support costs	544	544	641
Governance costs			
Audit fees	21	21	21
Consultancy costs	35	35	15
Total support costs	<u>2,674</u>	<u>2,674</u>	<u>2,856</u>

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2018/19 £000	Total 2017/18 £000
Wages and salaries	3,847	3,686
Social security costs	384	371
Operating costs of defined benefit pension schemes	588	568
LGPS charges	204	206
	<u>5,023</u>	<u>4,831</u>
Agency staff costs	117	83
Staff restructuring costs	25	62
	<u>5,165</u>	<u>4,976</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payment amounting to £25,000 (2018: £61,500).

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)**8 Staff (continued)****c. Staff numbers**

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

	2019 No.	2019 FTE	2018 No.	2018 FTE
Teachers	79	76.2	69	67.0
Administration and support	50	37.7	42	33.4
Management	8	7.0	10	10.0
	137	120.9	121	110.4

d. Higher paid staff

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

	2018/19 No.	2017/18 No.
£20,001 - £30,000	1	1
£40,001 - £50,000	1	-
£50,001 - £60,000	2	-
£60,001 - £70,000	-	1
£70,001 - £80,000	-	2
£100,001 - £110,000	1	-

With the exception of the highest band, the salaries relate to employees who left or were appointed during the course of the year and whose salaries have been prorated. The annual equivalent salaries were in the £70,001 - £80,000 band.

The lower band in 2017/18 relates to the salary of an employee who commenced employment during the course of the year and whose equivalent annual salary is in the £100,001 - £110,000 band.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £379,823 (2018: £334,393).

9 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 only receives remuneration in respect of services he provides undertaking the role of principal under his contract of employment.

The value of the trustees' remuneration and other benefits was as follows:

Richard Ronksley (principal and trustee: appointed 1 June 2018)

Remuneration £100,001 - £110,000 (2018: £20,001 - £30,000)

Employer's pension contributions paid £10,001 - £20,000 (2018: £0 - £10,000)

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)**10 Trustees and officers insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2019 was £647 (2018: £647). The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Freehold land and buildings £000	Improvements to land and buildings £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2018	23,846	108	1,492	1,018	994	27,458
Additions	176	485	86	60	-	807
Transfers	994				(994)	
At 31 August 2019	25,016	593	1,578	1,078	-	28,265
Depreciation						
At 1 September 2018	3,601	6	1,177	733	-	5,517
Charged in year	474	8	98	160	-	740
Disposals						
At 31 August 2019	4,075	14	1,275	893	-	6,257
Net book values						
At 1 September 2018	20,245	102	315	285	994	21,941
At 31 August 2019	20,941	579	303	185	-	22,008

12 Debtors

	2019 £000	2018 £000
Trade debtors	1	-
VAT recoverable	109	198
Other debtors	2	-
Prepayments and accrued income	85	54
	<u>197</u>	<u>252</u>

13 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	83	409
Other taxation and social security	91	93
Other creditors	223	194
Accruals and deferred income	231	153
	<u>628</u>	<u>849</u>

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

	2019 £000	2018 £000
Deferred income at 1 September 2018	4	-
Released from previous years	(4)	-
Resources deferred in the year	14	4
Deferred income at 1 September 2018	<u>14</u>	<u>4</u>

At the balance sheet date the academy trust was holding funds (£13,752) carried over from the ESFA funding received in the prior year for the basic maths premium pilot.

14 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	4,483	6,783	(6,098)	(662)	4,506
Other DfE/ESFA grants	-	113	(113)	-	-
Other income	-	71	(71)	-	-
Pension reserve	(450)	-	(218)	(622)	(1,290)
	<u>4,033</u>	<u>6,967</u>	<u>(6,500)</u>	<u>(1,284)</u>	<u>3,216</u>
Restricted fixed asset funds					
Transfer on conversion	20,604	-	(661)	-	19,943
DfE/ESFA capital grants	50	145	(20)	-	175
Capital expenditure from GAG	1,287	-	(59)	662	1,890
	<u>21,941</u>	<u>145</u>	<u>(740)</u>	<u>662</u>	<u>22,008</u>
Total restricted funds	<u>25,974</u>	<u>7,112</u>	<u>(7,240)</u>	<u>(622)</u>	<u>25,224</u>
Total unrestricted funds	<u>33</u>	<u>259</u>	<u>(262)</u>	<u>-</u>	<u>30</u>
Total funds	<u>26,007</u>	<u>7,371</u>	<u>(7,502)</u>	<u>(622)</u>	<u>25,254</u>

The specific purposes for which the funds are to be applied are as detailed below.

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

Other DfE/ESFA grants represent the rates reclaim, the teachers' pay grant and basic maths premium pilot funding. These are represented by direct expenditure.

Other income comprises sources of revenue derived from restricted funds, the most significant being receipts from trips and visits used to defray the associated costs.

Restricted fixed asset funds comprise the assets recognised on conversion from the sixth form corporation to the academy trust, the devolved formula capital grant and the transfer from GAG to finance capital expenditure. Resources expended from these funds represent annual depreciation charges.

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)**14 Funds (continued)**

The unrestricted reserves comprise the catering receipts offset by direct catering costs, trading income and investment income.

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 2019. The restricted reserves carried forward will be utilised in accordance with the academy trust's reserves policy.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September			Gains, losses and transfers	Restated Balance at 31 August
	2017	Income	Expenditure		2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	4,836	6,824	(5,964)	(1,213)	4,483
Other DfE/ESFA grants	-	56	(56)	-	-
Other income	-	73	(73)	-	-
Pension reserve	(635)	-	(225)	410	(450)
	<u>4,201</u>	<u>6,953</u>	<u>(6,318)</u>	<u>(803)</u>	<u>4,033</u>
Restricted fixed asset funds					
Transfer on conversion	21,327	-	(723)	-	20,604
DfE/ESFA capital grants	28	40	(19)	-	50
Capital expenditure from GAG	95	-	(20)	1,213	1,287
	<u>21,450</u>	<u>40</u>	<u>(762)</u>	<u>1,213</u>	<u>21,941</u>
Total restricted funds	<u>25,651</u>	<u>6,993</u>	<u>(7,080)</u>	<u>410</u>	<u>25,974</u>
Total unrestricted funds	<u>8</u>	<u>268</u>	<u>(243)</u>	<u>-</u>	<u>33</u>
Total funds	<u>25,659</u>	<u>7,261</u>	<u>(7,323)</u>	<u>410</u>	<u>26,007</u>

15 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	22,008	22,008
Current assets	30	5,134	-	5,164
Current liabilities	-	(628)	-	(628)
Pension scheme liability	-	(1,290)	-	(1,290)
Total net assets	<u>30</u>	<u>3,216</u>	<u>22,008</u>	<u>25,254</u>

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

15 Analysis of net assets between funds (continued)

Comparative restated information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	21,941	21,941
Current assets	33	5,332	-	5,365
Current liabilities	-	(849)	-	(849)
Pension scheme liability	-	(450)	-	(450)
Total net assets	33	4,033	21,941	26,007

16 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	213

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

	2018/19 £000	2017/18 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(131)	(62)
Adjusted for:		
Depreciation	740	754
Capital grants from DfE and other capital income	(145)	(40)
Loss on disposal of fixed assets	-	8
Interest receivable	(36)	(18)
Defined benefit pension scheme cost less contributions payable (note 24)	204	206
Defined benefit pension scheme finance cost (note 24)	14	19
Decrease/(increase) in debtors	55	(101)
(Decrease)/increase in creditors	(221)	219
Net cash provided by operating activities	480	985

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

18 Cash flows from investing activities

	2018/19	2017/18
	£000	£000
Dividends, interest and rents from investments	36	18
Purchase of tangible fixed assets	(807)	(1,253)
Capital grants from DfE/ESFA	145	40
Net cash used in investing activities	(626)	(1,195)

19 Analysis of cash and cash equivalents

	At 31 August 2019	At 31 August 2018
	£000	£000
Cash in hand and at bank	877	2,055
Notice deposits (less than 3 months)	4,090	3,058
Total cash and cash equivalents	4,967	5,113

20 Financial instruments

	2019	2018
	£000	£000
Financial assets measured at amortised cost	4,968	5,113
Financial liabilities measured at amortised cost	579	845

Financial assets measured at amortised cost comprise trade debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

21 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.

22 Connected parties

One of the trustees of the Trust is also a trustee of the Springhill Hospice in Rochdale which has been supported by the students' charitable activities during the year.

The Chair of the Trust Board and the Principal are governors of Kingsway Park School which is one of the Trust's partner schools.

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

23 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 the 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 2016.

Contributions amounting to £72,000 were payable to the schemes at 31 August 2019 (2018: £74,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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

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)
- 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

Notes to the Financial Statements for the year ended 31 August 2018 (cont'd)**23 Pension and similar obligations (continued)**

The employer's pension costs payable to TPS in the year amounted to £443,000 (2018: £431,000). A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £197,000 (2018: £191,000), of which employer's contributions totalled £140,000 (2018: £134,000) and employees' contributions totalled £60,000 (2018: £58,000). The agreed contribution rates for future years are 15.4% for employers and bands from 5.5% to 9.4% for employees dependent on salary. There are also employees in a 50/50 pension scheme where their contribution is set at 2.75%.

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 2019	At 31 August 2018
Rate of increase in salaries	3.10%	3.10%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	1.70%	2.40%
Commutation of pensions to lump sums pre April 2008 service	55%	55%
Commutation of pensions to lump sums post April 2008 service	80%	80%

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	20.6	21.5
Females	23.1	24.1
<i>Retiring in 20 years</i>		
Males	22.0	23.7
Females	24.8	26.2

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

23 Pension and similar obligations (continued)

Sensitivity analysis

Change in assumptions at 31 August 2019	Approximate % increase to defined benefit obligation	Approximate monetary amount (£000)
0.5% decrease in real discount rate	14%	580
0.5% increase in the salary increase rate	4%	156
0.5% increase in the pension increase rate (CPI)	10%	407

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

	2019 £000	2018 £000
Equity instruments	1,934	1,728
Bonds	427	407
Property	228	178
Cash	256	229
Total market value of assets	2,845	2,542

The actual return on scheme assets was £52,000 (2018: £69,000)

Amount recognised in the statement of financial activities

	2018/19 £000	2017/18 £000
Current service cost (net of employee contributions)	(163)	(206)
Past service cost	(41)	-
Interest income	74	58
Interest cost	(88)	(77)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	-	-
Total amount recognised in the SOFA	(218)	(225)

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

	2018/19 £000	2017/18 £000
At 1 September	2,992	2,879
Current service cost	303	340
Interest cost	88	77
Employee contributions	60	58
Actuarial (gain)/loss	674	(341)
Benefits paid	(23)	(21)
Past service cost	41	-
At 31 August	4,135	2,992

Notes to the Financial Statements for the year ended 31 August 2019 (cont'd)

23 Pension and similar obligations (continued)

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

	2008/19	2017/18
	£000	£000
At 1 September	2,542	2,244
Interest income	74	58
Actuarial gain/(loss)	52	69
Employer contributions	140	134
Employee contributions	60	58
Benefits paid	(23)	(21)
At 31 August	2,845	2,542

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £388,711 and disbursed £315,469 from the fund. An amount of £63,447 of undistributed funds was brought forward from the prior year, leaving an amount of £136,689 which is included in other creditors relating to undistributed funds that will be disbursed in the following year.