

COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 07484717
(ENGLAND AND WALES)

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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COMPANIES HOUSE

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2013

Trustees:

C Barrat (resigned 12 September 2013)
D Battman *
M Dodds (resigned 2 July 2013)
N Evans *
S Forster* (resigned 2 July 2013)
T Gartside *
D Haddad
T Hall
D Jones
R Cummins
K Lord
T Lowe (Director)
S Kupursarevic
J Nicol
D Ormesher
A Shaw
M Thompson
G Harding (Responsible officer)*
Cllr Barclay
A Balfour * (appointed 1 September 2012)
R Finlan (appointed 1 September 2013)
T Ingham (appointed 1 September 2013)
S Perrett (appointed 1 September 2013)
R Russel-Fisher (appointed 1 September 2013)

* Members of finance committee

Senior leadership team:

Deputy Head	E Hall
Assistant Head	H Meadowcroft
Assistant Head	S Meehan
Assistant Head	K Pearson
Assistant Head	E Thomas

Principal

T Gartside

Bursar:

C Shield

**Registered office &
academy site:**

Altrincham Grammar School for Boys
Marlborough Road, Bowdon, Altrincham, Cheshire WA14 2RS

Company registration number:

07484717

Auditors

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

Bankers

Lloyds TSB, King Street, Manchester

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the year ended 31 August 2013

Structure, governance and management

Constitution

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

The trustees of Altrincham Grammar School for Boys are also the directors of the charitable company for the purposes of company law. The charitable company is known as Altrincham Grammar School for Boys.

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

Members' liability

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

Trustees' indemnities

Note 12 states that trustees' and officers' insurance is purchased by the academy. The insurance cover provided is up to £2,000,000 on any one claim.

Principal activities

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

Method of recruitment and appointment or election of trustees

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

Induction

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

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

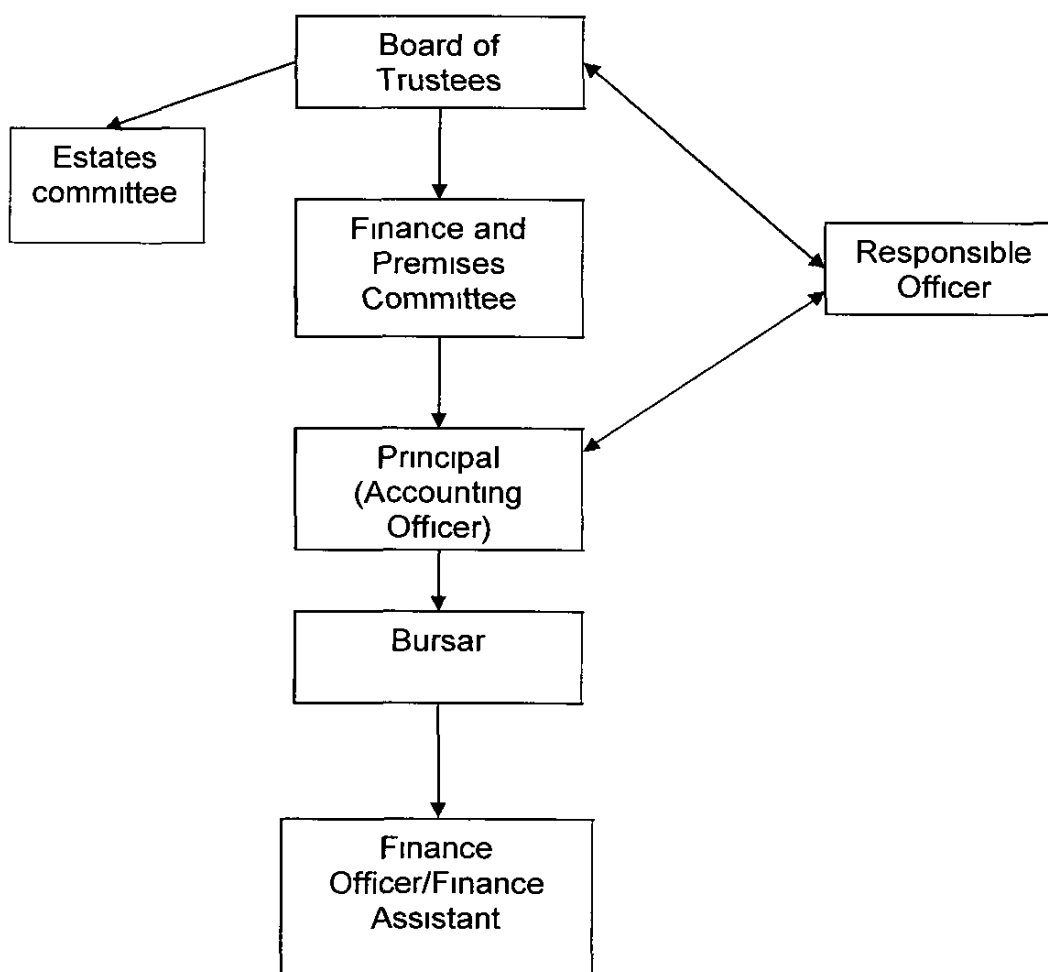
TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Training

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

Organisational structure



Decision making process

Decisions made at the sub-committees are ratified by the full governors and communicated via the principal, bursar and senior leadership team.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the governance statement.

Connected organisations, including related party relationships

There are two organisations with which the school enjoys partnerships. Sodexo plc holds contracts for catering and cleaning. The last time the contract was reviewed was in 2011. Trafford Community Leisure Trust holds the contract for the management of "The Grammar" sports facility out of school hours. The partnership was established in 2008 and in 2013 was reviewed by trustees and extended for a further five years.

Objectives and activities

Objects and aims

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

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Children, Schools and Families.

The main objectives of the academy for its first three years of operation are summarised below -

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

Objectives, strategies and activities

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

Altrincham Grammar School for Boys is a selective grammar school and offers all pupils a broad curriculum. The pupils who attend live mainly in the local area although some travel from further afield.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Public benefit

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

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

Achievements and performance

In 2013 the school achieved examination results as follows -

GCSE	98% 5 A* - C (including English and Mathematics)
	63% A*/A A2
A Level	78% A*/A/B
	19% A*

At GCSE level the school did not achieve the target set. At A Level the School did achieve the target set.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

Key performance indicators

These are

- The number of applications for entry into the school and ability levels of students entering the school and the progress made by these students between entry into the school and GCSE. The progress made by students between GCSE and A Level.
- Examination results at the end of Key Stage 3/GCSE and A Level.
- Rates of retention between GCSE onto the Sixth Form and the completion rate of Sixth Form students.
- The school reviews other KPI's via self evaluation form against OFSTED criteria.

Financial review

The majority of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

During the year ended 31 August 2013, total expenditure of £6,652,000 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year for the restricted general fund was £276,000. At 31 August 2013 the net book value of fixed assets was £11,692,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £701,000 which has been carried forward to 2014. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years. If the pension deficit and related charges were taken out, the general restricted fund would show a surplus of £247,000.

Financial and risk management objectives and policies

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

Principal risks and uncertainties

A review of principal risks and uncertainties highlighted national fluctuations in education funding and a threat to the status of grammar schools by a new government as the most significant risks.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £460,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund) is £301,000.

Investment policy

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

Plans for future periods

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

Funds held as custodian trustee on behalf of others

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

TRUSTEES' REPORT *(continued)*

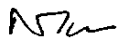
YEAR ENDED 31 AUGUST 2013

Auditor

In so far as the trustees are aware

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

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by



.....
Mr Nicholas Evans

Chair of trustees

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the head master, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Altrincham Grammar School for Boys and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met 6 times during the year. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
C Barrat (Chairman)	4	6
N Evans (Vice chair)	6	6
Cllr Barclay	4	6
D Battman	5	6
A Balfour	5	6
R Cummins (Staff trustee)	4	5
M Dodds (resigned 2 nd July 2013)	1	6
S Forster (resigned 2 nd July 2013)	2	6
D Haddad	4	6
T Hall	4	6
G Harding (Responsible officer)	0	6
M Thomson	5	6
D Jones	6	6
K Lord (Support staff trustee)	4	6
T Lowe (Staff trustee)	3	6
S Kupusarevic	4	6
J Nicol	4	6
D Ormesher	6	6
A Shaw	2	6
T J Gartside (Head master)	6	6
C Shield (Company secretary)	6	6

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

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

Attendance at meetings in the year was as follows

Trustee	Meetings attended	Out of possible
N Evans	6	6
T J Gartside	6	6
A Balfour	5	6
G Harding (Responsible officer)	3	6
D Battman	6	6
S Forster	0	6

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

The committees are

- Estates
- Finance
- Admissions
- Personnel
- Health and Safety
- Curriculum and Pupil Welfare

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

An assessment of performance and strengths and weaknesses of the board and committees took place in Spring 2013 when two longstanding members announced they were no longer able to serve. It was decided to strengthen the financial expertise of the board and, consequently, three new members were sought and appointed to take office from September 2013.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Altrincham Grammar School for Boys for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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

The risk and control framework

The school has a Risk Management Policy (see above).

The school has a Data Protection Policy and Health and Safety Policy which are reviewed regularly by trustees. The Data Protection Policy is produced by the CICT Department, it places great emphasis on protection of data from misuse, inappropriate access and security. The school has in place appropriate protection and security measures including restricted access to sensitive data, firewalls, on-site and off-site backups and regular staff training.

The responsible officer reports to the Finance Committee on a termly basis. The responsible officer reviews key systems and procedures, including the use of tenders and presents reports on compliance to the Finance Committee. The finance chair updates the full board of trustees at the next meeting.

The Health and Safety Committee meets termly and reports are made to trustees by the in-house health and safety officer and his deputy. All new staff have a health and safety induction when starting with the academy. All staff take professional advice on a regular basis if needed. For example, a pupil has recently started in Year 7 with impaired vision, specialist advisors have been into school to ensure the school complies with health and safety legislation.

Review of effectiveness

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

At each full board of trustees meeting the chair of finance updates the trustees on the academy's finances and reports to them any breaches of financial regulation. We have had not breach of financial regulation in this academy.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The responsible officer has been into school on a regular termly basis and has informed the trustees that the academy's financial policies, systems and procedures are compliant with the EFA Financial Handbook and the academy's own Internal Finance Handbook. There are no significant internal control issues.

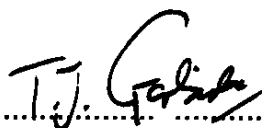
This year Haines Watts VAT advisor visited the school to carry out an external VAT check on the academy's systems and procedures. The report shows that there are no significant internal control issues and that the academy meets the reporting requirements of HMRC.

HW carries out an annual audit of the academy accounts. An annual audit is also conducted on the Teachers Pensions Agency contributions by HW.

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by



.....
N Evans
Chair of trustees



.....
T Gartside
Accounting officer

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

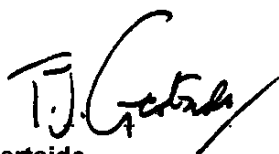
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2013

As accounting officer of Altrincham Grammar School for Boys I have considered my responsibility to notify the academy trust's board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



T Gartside
Accounting officer

5 December 2013

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2013

The trustees (who act as governors of Altrincham Grammar School for Boys and are also 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 applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware

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



5 December 2013

Mr Nicholas Evans
Chair of trustees

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

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

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Altrincham Grammar School for Boys for the year ended 31 August 2013 which comprise (Income and Expenditure account and the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes) The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency

This report is made solely to the academy trust'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 academy trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the academy trust 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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRINCHAM GRAMMAR SCHOOL FOR BOYS *(continued)*

YEAR ENDED 31 AUGUST 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

JOHN WHITTICK (Senior Statutory Auditor)

For and on behalf of

HW

Chartered Accountants
& Statutory Auditor



Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

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

YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 22 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altrincham Grammar School for Boys during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Altrincham Grammar School for Boys and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Altrincham Grammar School for Boys and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Altrincham Grammar School for Boys and the EFA, for our work, for this report, or for the conclusion we have formed

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

The accounting officer is responsible, under the requirements of Altrincham Grammar School for Boys' funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 year 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

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

YEAR ENDED 31 AUGUST 2013

The work undertaken to draw our conclusions includes

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



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ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds £000	Restricted general funds £000	Fixed asset funds £000	Total 2013 £000	Total 2012 £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	8	19	1,142	1,169	414
Transfer from local authority on conversion		-	-	-	-	-
Activities for generating funds	4	771	-	-	771	813
Investment income	5	5	-	-	5	6
Incoming resources from charitable activities						
Funding for the academy's educational operations	6	-	5,891	-	5,891	5,845
Total incoming resources		784	5,910	1,142	7,836	7,078
Resources expended						
Cost of generating funds		457	-	-	457	474
Costs of generating voluntary income		-	-	-	-	-
Fundraising trading		-	-	-	-	-
Charitable activities						
Academy's educational operations	8	-	5,909	270	6,179	6,367
Governance costs	9	-	16	-	16	10
Other resources expended						
Total resources expended	7	-	5,925	270	6,195	6,851
Net incoming/(outgoing) resources before transfers		784	(15)	872	1,641	227
Gross transfers between funds	16	-	(261)	261	-	-
Net income/(expenditure) for the year		784	(276)	1,133	1,641	227
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	16,26	-	63	-	63	(252)
Net movement in funds		784	(213)	1,133	1,704	(25)
Reconciliation of funds						
Funds brought forward to 1 September 2012	16	428	(241)	10,559	10,746	10,771
Funds carried forward at 31 August 2013		1,212	(454)	11,692	12,450	10,746

All of the academy's activities derive from continuing operations during the above two financial periods

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		11,692		10,559
Current assets					
Debtors	14	309		188	
Cash at bank and in hand		904		1,070	
		<u>1,213</u>		<u>1,258</u>	
Current liabilities					
Creditors: Amounts falling due within 1 year	15	<u>211</u>		<u>374</u>	
Net current assets			1,002		884
Total assets less current liabilities			<u>12,694</u>		<u>11,443</u>
Net assets including pension liability					
Pension scheme liability	26		701		697
Net assets including pension liability			<u>11,993</u>		<u>10,746</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	16		11,692		10,559
General fund(s)	16		247		456
Pension reserve	16		(701)		(697)
Total restricted funds			<u>11,238</u>		<u>10,318</u>
Unrestricted funds	16		755		428
Total funds			<u>11,993</u>		<u>10,746</u>

The financial statements on pages 18 to 35 were approved by the trustees, and authorised for issue on 5 December 2013 and are signed on their behalf by



Mr Nicholas Evans
Chair of trustees

Company limited by guarantee, registration number 07484717

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash inflow from operating activities	20	1,232	449
Returns on investments and servicing of finance	21	5	6
Capital expenditure	22	(1,403)	(339)
(Decrease)/Increase in cash in the year	23	<u>(166)</u>	<u>116</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		1,070	954
Net funds at 31 August 2013		<u>904</u>	<u>1,070</u>

All of the cash flows are derived from activities in the current financial period

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

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

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 academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Donated services and gifts in kind

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies *(continued)*

Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

Tangible fixed assets

Assets costing £1,000 or more whether an individual item or part of a capital project are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold land	nil
Freehold buildings	50 years
Furniture and equipment	4 years
Computer equipment	3 years
Motor vehicles	4 years

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies *(continued)*

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.

Leased assets

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

Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2013. The academy changed its funding agreement by deed of variation during the year ended 31 August 2013.

3 Voluntary income

	Unrestricted funds	Restricted funds	Fixed asset restricted funds	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Other donations	8	-	20	28	29
Altrincham Grammar School Development Limited	-	-	166	166	50
ACMF grants	-	-	906	906	190
HM Collaboration fund	-	8	-	8	25
16-18 Bursary fund	-	11	-	11	-
Wolfson Foundation grant	-	-	50	50	-
Sodexo refurbishment donation	-	-	-	-	120
	8	19	1,142	1,169	414

4 Activities for generating funds

	Unrestricted funds	Restricted funds	Fixed asset restricted funds	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Income from facilities and services	30	-	-	30	29
Other school activities	741	-	-	741	784
	771	-	-	771	813

5 Investment income

	Unrestricted funds	Restricted funds	Fixed asset restricted funds	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Short term deposits	5	-	-	5	6
	5	-	-	5	6

6 Funding for academy's educational operations

	Unrestricted funds	Restricted funds	Fixed asset restricted funds	Total 2013	Total 2012
	£000	£000	£000	£000	£000
DfE/EFA revenue grants					
General Annual Grant (GAG) (note 2)	-	5,811	-	5,811	5,772
Capital grants	-	25	-	25	25
Other DfE/EFA grants	-	30	-	30	17
	-	5,866	-	5,866	5,814
Other government grants					
Local authority grants	-	25	-	25	31
	-	5,891	-	5,891	5,845

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

7 Resources expended

	Non pay expenditure				
	Staff	Premises	Other	Total	Total
	costs		costs	2013	2012
	£000	£000	£000	£000	£000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	-	-	457	457	474
Academy's educational operations					
Direct costs	3,606	243	692	4,541	4,560
Allocated support costs	848	27	763	1,638	1,807
	<u>4,454</u>	<u>270</u>	<u>1,912</u>	<u>6,636</u>	<u>6,841</u>
Governance costs including allocated support costs	-	-	16	16	10
	<u>4,454</u>	<u>270</u>	<u>1,928</u>	<u>6,652</u>	<u>6,851</u>

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

	2013	2012
	£000	£000
Incoming/outgoing resources for the year include:		
Operating leases	9	9
Fees payable to auditor		
Audit	6	5
Other services	<u>7</u>	<u>4</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Charitable activities - academy's educational operations

	Unrestricted funds £000	Restricted funds £000	Fixed asset restricted funds £000	Total 2013 £000	Total 2012 £000
Direct costs					
Teaching and educational support staff costs	-	3,606	-	3,606	3,569
Depreciation	-	-	243	243	265
Educational supplies	-	374	-	374	488
Examination fees	-	165	-	165	198
Staff development	-	22	-	22	35
Educational consultancy	-	32	-	32	3
Information technology	-	52	-	52	-
Other direct costs	-	47	-	47	2
	-	4,298	243	4,541	4,560
Allocated support costs					
Support staff costs	-	781	-	781	712
Staff costs - pension costs & interest	-	67	-	67	-
Depreciation	-	-	27	27	31
Recruitment and support	-	-	-	-	15
Maintenance of premises and equipment	-	252	-	252	524
Cleaning	-	162	-	162	151
Rent & rates	-	62	-	62	55
Heat and light	-	130	-	130	114
Insurance	-	53	-	53	51
Office costs	-	73	-	73	72
Catering	-	24	-	24	65
Consultancy	-	7	-	7	17
	-	1,611	27	1,638	1,807
	-	5,909	270	6,179	6,367

Staff costs in 2012 have been restated to show technicians salaries of £265,000 in support staff costs

9 Governance costs

	Unrestricted funds £000	Restricted funds £000	Fixed asset Restricted funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	-	2	-	2	-
Pension fund valuation	-	1	-	1	1
Auditor's remuneration					
Audit of financial statements	-	6	-	6	5
Other audit costs	-	7	-	7	4
Trustees' reimbursed expenses	-	-	-	-	-
	-	16	-	16	10

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

10 Staff costs	2013	2012
	£000	£000
Staff costs during the period were		
Wages and salaries	3,617	3,529
Social security costs	275	268
Pension costs	561	484
	<u>4,453</u>	<u>4,281</u>
Compensation payments	2	-
	<u>4,455</u>	<u>4,281</u>

Supply staff agency costs were £nil

The average number of persons (including senior management team) employed by the academy during the year, and the full time equivalents, was as follows

	2013	2013	2012	2012
	Number	Full-time equivalent	Number	Full-time equivalent
Charitable activities				
Teachers	83	69	76	69
Administration and support	43	34	39	36
Management	7	7	7	7
	<u>133</u>	<u>110</u>	<u>122</u>	<u>112</u>

The number of employees whose emoluments fell within the following bands was

	2013	2012
	Number	Number
£60,001 - £70,000	2	3
£90,001 - £100,000	1	1
	<u>3</u>	<u>4</u>

Three of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £31,480 (2012 £40,123)

11 Related party transactions - trustees' remuneration and expenses

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

T Gartside (principal and trustee)	£95,001	- £100,000	(2012 £ 95,001 - £100,000)
T Lowe (staff trustee)	£40,001	- £45,000	(2012 £ 40,001 - £45,000)
R Cummins (staff trustee)	£35,001	- £40,000	
K Lord (support staff trustee)	£5,001	- £10,000	

During the year ended 31 August 2013, travel and subsistence expenses totalling £1,372 (2012 - £ nil) were reimbursed to trustees. Related party transactions involving the trustees are set out in note 27

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

12 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £6,268 (2012 £6,437). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Assets under construction £000	Freehold land & buildings £000	Furniture & equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2012	-	10,654	295	96	-	11,045
Additions	149	1,178	26	24	26	1,403
Disposals	-	-	-	-	-	-
At 31 August 2013	149	11,832	321	120	26	12,448
Depreciation						
At 1 September 2012	-	265	136	85	-	486
Charged in year	3	192	55	15	5	270
Disposals	-	-	-	-	-	-
At 31 August 2013	3	457	191	100	5	756
Net book values						
At 31 August 2013	146	11,375	130	20	21	11,692
At 31 August 2012	-	10,389	159	11	-	10,559

14 Debtors

	2013 £000	2012 £000
Trade debtors	14	6
VAT recoverable	121	26
Prepayments and accrued income	174	156
	<u>309</u>	<u>188</u>

15 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	65	69
Taxation and social security	85	87
Other creditors	10	23
Accruals and deferred income	51	195
	<u>211</u>	<u>374</u>

Deferred income

	2013 £000	2012 £000
Deferred income at 1 September 2012	189	20
Resources deferred in the year	40	189
Amounts released from previous years	(189)	(20)
Deferred income at 31 August 2013	<u>40</u>	<u>189</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

16 Funds

	Balance at 1.9.12 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31.8.13 £000
Restricted general funds					
General Annual Grant (GAG)	412	5,811	(5,785)	(251)	187
Other DfE/EFA grants	-	30	(11)	-	19
Local authority grants	6	25	(31)	-	-
16-18 bursary funds	6	11	(5)	-	12
Devolved Formula Capital	22	25	(18)	-	29
HM Collaborative Fund	10	8	(8)	(10)	-
	456	5,910	(5,858)	(261)	247
Pension reserve	(697)	-	(67)	63	(701)
	(241)	5,910	(5,925)	(198)	(454)
Restricted fixed asset funds					
Inherited on conversion	10,559	-	(270)	1,403	11,692
AMCF grants	-	906	-	(906)	-
Altrincham Grammar School Development Limited	-	166	-	(166)	-
Wolfson Foundation grant	-	50	-	(50)	-
Other donations	-	20	-	(20)	-
	10,559	1,142	(270)	261	11,692
Total restricted funds	10,318	7,052	(6,195)	63	11,238
Unrestricted funds	428	784	(457)	-	755
Total funds	10,746	7,836	(6,652)	63	11,993

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

17 Analysis of net assets between funds

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	11,692	11,692
Current assets	755	458	-	1,213
Current liabilities	-	(211)	-	(211)
Pension scheme liability	-	(701)	-	(701)
Total net assets	755	(454)	11,692	11,993

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

18 Capital commitments	2013	2012
	£000	£000
Contracted for but not provided in the financial statements	-	1,100

19 Financial commitments

Operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows

	2013	2012
	£000	£000
Other		
Expiring within one year	8	-
Expiring within two and five years inclusive	-	9
Expiring in over five years	-	-
	<u>8</u>	<u>9</u>

20 Reconciliation of net income to net cash inflow from operating activities

	2013	2012
	£000	£000
Net income	1,184	227
Depreciation (note 13)	270	296
Support costs - pension service cost and interest	67	-
(Increase)/decrease in debtors	(121)	(5)
(Decrease)/increase in creditors	(163)	(63)
Interest received	(5)	(6)
Net cash inflow from operating activities	<u>1,232</u>	<u>449</u>

21 Returns on investments and servicing of finance

	2013	2012
	£000	£000
Interest received	5	6
Net cash inflow from returns on investment and servicing of finance	<u>5</u>	<u>6</u>

22 Capital expenditure and financial investment

	2013	2012
	£000	£000
Purchase of tangible fixed assets	(1,403)	(339)
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	<u>(1,403)</u>	<u>(339)</u>

23 Analysis of changes in net funds

	At	Cash	At
	1 09.12	flows	31.8.13
	£000	£000	£000
Cash in hand and at bank	1,070	(166)	904
	<u>1,070</u>	<u>(166)</u>	<u>904</u>

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

24 Contingent liabilities

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

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

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

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

25 Members' liability

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

26 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations *(continued)*

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The government accepted Lord Hutton's recommendations as the basis for consultation and ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a normal pension age equal to state pension age, but with options to enable members to retire earlier or later than their normal pension age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations *(continued)*

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £125,367, of which employer's contributions totalled £89,226 and employees' contributions totalled £36,141. The contribution rates for future years are unconfirmed.

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

Principal actuarial assumptions

	At 31.8.13	At 31.8.12
Rate of increase in salaries	4.6%	4.0%
Rate of increase for pensions in payment / inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Inflation assumption (CPI)	2.9%	2.9%

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

Change in assumptions at 31 August 2013	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	11%	213
1 year increase in member life expectancy	3%	56
0.5% increase in the salary increase rate	3%	59
0.5% increase in the pension increase rate	8%	152

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

	At 31.8.13	At 31.8.12
Retiring today		
Males	20.1	20.1
Females	22.9	22.9
Retiring in 20 years		
Males	22.5	22.5
Females	25.0	25.0

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations *(continued)*

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

	Expected return at 31.8.13	Fair value at 31.8.13 £000	Expected return at 31.8.12	Fair value at 31.8.12 £000
Equities	6.6%	846	5.5%	636
Bonds	3.9%	211	3.4%	184
Property	4.7%	70	3.7%	46
Cash	3.6%	47	2.8%	55
Total market value of assets		<u>1,174</u>		<u>921</u>
Present value of scheme liabilities				
- Funded		<u>(1,875)</u>		<u>(1,618)</u>
Deficit in the scheme		<u>(701)</u>		<u>(697)</u>

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependant on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

The actual return on scheme assets was £152,000 (2012 £70,000)

Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	134	93
Past services cost	-	-
Total operating charge	<u>134</u>	<u>93</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	47	49
Interest on pension liabilities	(69)	(68)
Pension finance income / (costs)	<u>(22)</u>	<u>(19)</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £150,000 loss (2012 £213,000 loss).

ALTRINCHAM GRAMMAR SCHOOL FOR BOYS

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

26 Pension and similar obligations *(continued)*

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

	2013 £000	2012 £000
At 1 September 2012	1,618	1,218
Current service cost	134	93
Past service cost	-	-
Interest cost	69	68
Employee contributions	36	33
Actuarial (gain)/loss	42	239
Curtailments and settlements	-	-
Benefits paid	(24)	(33)
At 31 August 2013	<u>1,875</u>	<u>1,618</u>

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

	2013 £000	2012 £000
At 1 September 2012	921	773
Expected return on assets	47	49
Actuarial gain/(loss)	105	20
Employee contributions	36	33
Employer contributions	89	79
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(24)	(33)
At 31 August 2013	<u>1,174</u>	<u>921</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £94,000

The five-year history of experience adjustments is as follows:

	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	1,875	1,618	1,218
Fair value of share of scheme assets	1,174	921	773
Deficit in the scheme	<u>(701)</u>	<u>(697)</u>	<u>(445)</u>
Experience adjustments on share of scheme assets	<u>105</u>	<u>20</u>	<u>(59)</u>
Experience adjustments on scheme liabilities:	<u>-</u>	<u>(12)</u>	<u>-</u>

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

27 Related party transactions

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

During the year the academy received £165,643 from Altrincham Grammar School Development Limited, a company in which Mr Gartside and Mr Shaw are directors. At the year end an amount of £5,772 was due from that company and included in trade debtors.