

Registration number: 08597784

Alsager Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 4 July 2013 to 31 August 2014



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

Hallidays
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Alsager Multi Academy Trust

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Alsager Multi Academy Trust

Reference and Administrative Details

Members	Mr Allan Richard Ward (appointed 4 July 2013) Mrs Alison Dawn Pole (appointed 4 July 2013) Mr Paul Christopher Cawley (appointed 4 July 2013) Mr David Joseph Edwards (appointed 4 July 2013) Mr Lindsay Purcell (appointed 4 July 2013)
Directors / Trustees	Mr Allan Richard Ward (appointed 4 July 2013) Mr Richard Middlebrook (appointed 4 July 2013) Mrs Alison Dawn Pole (appointed 4 July 2013) Mr Paul Christopher Cawley (appointed 4 July 2013) Mr Ian Donald Macpherson (appointed 4 July 2013) Mr David Joseph Edwards (appointed 4 July 2013) Mrs Theresa Eugena Shirley Jones (appointed 4 July 2013) Mr Lindsay Purcell (appointed 4 July 2013)
Senior Leadership Team	Mr Richard Middlebrook, (Head and Accounting Officer) Ms Sonia Cross, (Deputy Head) Mrs Andrea O'Neill, (Assistant Head) Mrs Susan Reissing, (School Business Manager) Mrs Liane Young, (Assistant Head) (appointed 1st Sept 2014) Mr Neil Williams, (Assistant Head) Mrs Ellen Walton, (Assistant Head) Ms Heidi Thurland, (Assistant Head) Mrs Annette Owen, (Personnel Manager) Mrs Katie Cochrane, (Assistant Head) (resigned 31st August 2014)
Principal and Registered Office	Mr Richard Middlebrook Hassall Road Alsager Cheshire ST7 2HR
Company Registration Number	08597784
Auditors	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

Alsager Multi Academy Trust

Reference and Administrative Details

Bankers

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Solicitors

Browne Jacobson
3 Piccadilly Place
Manchester
M1 3BN

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

The Directors / Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 4 July 2013 to 31 August 2014.

Discussion on conversion to academy trust

On the 1st September 2013 Alsager School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Alsager Multi Academy Trust from Cheshire East Council for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 04 July 2013. The company registration number is 08597784.

The Directors act as the Trustees for the charitable activities of Alsager Multi Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Alsager Multi Academy Trust.

Details of the Directors / Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1 and the Governance Statement on page 11.

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.

Directors / Trustees' indemnities

Professional Indemnity Insurance is in place to protect Directors / Trustees, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Principal activities

The principal objective of the Trust is to advance, for the public benefit, education in the wider local community, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academy, offering a broad and balanced curriculum. In setting the Trust's objectives and planning its activities, the Directors / Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Method of recruitment and appointment or election of Directors / Trustees

Directors / Trustees are recruited by invitation, dependant on their expertise, experience and skills. Directors / Trustees may appoint other Directors / Trustees as referenced in the Articles of Association (22) and are appointed for a term of four years.

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Policies and procedures adopted for the induction and training of Directors / Trustees

New Directors / Trustees are inducted into the workings of the Academy, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Organisational structure

The Directors / Trustees are responsible for: setting general policy, adopting an annual plan and budget, monitoring the trust by the use of financial management information, making strategic decisions about the direction of the trust and capital expenditure, making senior appointments, and approving the Annual Report and Statements.

The Head is the Accounting Officer. The day to day management of the Trust is delegated to him and the Senior Leadership Team. The Senior Leadership Team (SLT) consists of the Head, Deputy Head, Assistant Heads, Business Manager and Personnel Manager. These managers control the Trust at an executive level implementing the policies laid down by the Directors / Trustees and reporting back to them. As a group the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff - though appointment boards for posts in the Senior Leadership Team always contain a Director / Trustee. Some spending control is devolved to members of the management team within agreed limits within the scheme of delegation.

The Directors / Trustees meet at least each term with the first meeting in each academic year being the Annual General Meeting. Sub committees meet on at least a termly basis and report back to Trust board which ratifies their decisions.

Roles and responsibilities of Directors / Trustees, and senior managers are clearly defined in the Trust Scheme of Delegation.

Risk management

The Directors / Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Directors / Trustees have implemented a number of systems to assess the risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

The key controls used by the trust include:

- Formal agendas for the MAT Board including sub-committee meetings
- Detailed and documented Terms of Reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and clear lines of accountability and reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by legislation
- Reporting systems
- To strive for continuous improvement in examination results and all indicators of performance in the Trust

Connected organisations, including related party relationships

Cheshire East – Leisure Centre and Joint Use Facility

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Objectives and activities

The main objectives of the Trust during the period ending 31st August 2014 are summarised below:

- To facilitate a smooth transition to Academy Status
- To raise the standard of educational achievements of all pupils in the Trust
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To comply with all appropriate statutory and curriculum requirements
- To provide value for money for the funds expended
- To conduct the Trust business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The Trust's main strategy is to develop and maintain a culture of excellence and provide fantastic opportunities for many children in our school.

The Trust is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the Academy is at the centre.

The Trust's approach to the strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff
- A programme of after school activities for all students
- A career advisory service to help students obtain employment or move on to Higher Education
- A wide range of enrichment opportunities
- High quality professional learning opportunities for all Trust employees
- A process of continual monitoring and review of teaching and learning together with rigorous data analysis of individual pupil achievement.

Public benefit

The Trust's purpose is to advance, for public benefit, education as described in principal activities above. The Directors / Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Achievements and performance

The 2014 public examination results at GCSE and advanced level continue to reflect the high level of achievement expected from the pupils.

- 70% of pupils gained 5+ A*-C GCSE grades inc English and Maths
- 82% of pupils gained 5 A*-C GCSE grades
- 36% of pupils achieved EBACC GCSE
- 85% of pupils made 3+ levels of progress (KS2-4) in English
- 76% of pupils made 3+ levels of progress (KS2-4) in Maths
- 98% of grades at A level were A*-E
- 72% of grades at A level were A*-C
- 89% of grades at AS level were A*-E
- 56% of grades at AS level were A*-C

Other notable achievements during the year include

- improved whole school attendance to 95.8%
- successfully secured EFA Academies Capital Maintenance Funding of £250,500 to refenestrate the Parker Building
- increase in pupils choosing Alsager School as their first choice for secondary school education
- continued expansion of Alsager Community Trust eg. the school production involved 3 different primary schools within the Trust
- school choir crowned Cheshire School Vocal Group of the Year
- strong performance of sports teams across the year groups especially in football and netball
- successful school visits and trips, both home and abroad, involving huge numbers of pupils across all year groups

Going concern

After making appropriate enquiries, the MAT Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Financial review

Most of the Trust income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ending 31st August 2014 and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also received other grants from the EFA and other organisations. 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 restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ending 31st August 2014, total expenditure of £6,885,751 was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £6,963,570 (£25,886,247 inclusive of funds transferred upon conversion). The excess of income over expenditure for the period was £19,000,496 before actuarial loss on the defined benefit scheme. Total funds carried forward amount to £18,653,496. This is in line with the Trusts strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income in the period ending 31st August 2014 amounted to £333,469. There was no unrestricted expenditure.

At 31st August 2014 the net book value of fixed assets amounted to £19,613,663 of which £19,313,333 is in respect of assets inherited on conversion. Movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions in the period ended 31st August 2014 amounted to £300,461.

Principal risks and uncertainties

The principal risks to the Trust are documented and managed using a Risk Management Policy and a Risk Register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the Academy, falling student numbers, failure to safeguard our students, and failure on high profile School to School support commissions.

Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference of the committees of the Trust
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk
- Formal written and published policies for employees
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures for new contracts and commissions.

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Financial and risk management objectives and policies

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for the Trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the Trust's finance team and via regular meetings of the finance committee of the Trust.

Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the Trust's finance team. All orders and payments are signed off by the Finance Team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Directors / Trustees by the Responsible Officer and external auditors.

The security of data is administered by an in house team of IT professionals.

Remaining risks are mitigated to a large extent via comprehensive insurance policies.

Reserves policy

The Directors / Trustees review the level of reserves on an annual basis. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust's current level of free reserves (total reserves less the amounts held in the fixed asset reserve and restricted fund reserve) is £333,469. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects.

It is the Directors / Trustees intention to adopt a prudent approach to reserves and aim to build a reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received within the Trust.

In addition the net liability due to the Trust's participation in the Local Government Pension Scheme (LGPS) amounts to £1,651,000. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding LGPS liabilities would be met by the Department for Education. This guarantee provides comfort to the Directors / Trustees in the unlikely event of Academy closure.

Investment policy

Cash balances are safeguarded by investing them in interest bearing current account with a sound commercial bank (currently Lloyds Bank plc).

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014

Plans for future periods

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the Trust's medium to long term strategy. The Trust's main annual objectives for the next year are:

- To suitably prepare for national curriculum and assessment changes at GCSE and A level.
- To strive for continuous improvement in examination results and all indicators of performance in the Trust
- To increase numbers of the roll
- To continue to develop the school site and facilities
- To build adequate financial reserves to fund building and other investment needs
- To continue to develop a more personalised, inclusive and varied post 16 provision to meet the needs of all young people.

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart. The Trust's aim is to maintain or increase pupil numbers. The curriculum will be broad, balanced and relevant in all key stages allowing all students to achieve success.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study and the provision of online curriculum. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Trust will be in the 'high performing' category within the communities which we serve. The strategic development of the Trust will be effectively planned, monitored and supported by a well-equipped and committed MAT Board of the Trust.

Funds held as Custodian Trustee on behalf of others

Alsager Multi Academy Trust acts as a custodian Trustee for Alsager Community Trust. The aim of ACT is to provide increased opportunities for all young people aged 5-18 within the town of Alsager and raise achievement across all 6 schools in the Trust.

The schools are -

Alsager School
Alsager Highfield Primary School
Cranberry Academy
Excalibur Primary School
Pikemere Primary School
St Gabriel's Primary School

Auditor

In so far as the Directors / Trustees are aware:

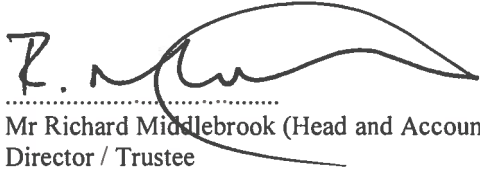
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors / Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Alsager Multi Academy Trust

Directors / Trustees' Report for the period from 4 July 2013 to 31 August 2014



.....
Mr Allan Richard Ward (Chair)
Director / Trustee



.....
Mr Richard Middlebrook (Head and Accounting Officer)
Director / Trustee

26-11-2014

Alsager Multi Academy Trust

Governance Statement

Scope of responsibility

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

The MAT Board has delegated the day-to-day responsibility to the Head, Mr Richard Middlebrook, 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 Alsager Multi Academy Trust and the Secretary of State for Education. The Head is also responsible for reporting to the MAT Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors / Trustees' Report and in the Statement of Directors / Trustees' Responsibilities. The MAT Board has formally met 3 times during the period. Attendance during the period at meetings of the MAT Board was as follows:

Directors / Trustees	Meetings attended	Out of a possible
Mr Richard Middlebrook	3	3
Mrs Alison Dawn Pole	2	3
Mr Paul Christopher Cawley	3	3
Mr David Joseph Edwards	2	3
Mr Ian Donald Macpherson	2	3
Mr Allan Richard Ward	3	3
Mrs Theresa Eugena Shirley Jones	3	3
Mr Lindsay Purcell	2	3

The Finance Committee is a sub-committee of the Alsager School Full Governing body reporting to the MAT Board. Attendance during the period at meetings was as follows:

Finance committee of the Trust and Alsager School	Meetings attended	Out of a possible
Mr David Joseph Edwards	2	4
Mr Allan Richard Ward	4	4
Cllr Rod Fletcher	2	4
Mr Vasos Bata	4	4
Mr Geoff Hardwick	1	1
Mr Richard Middlebrook	4	4
Mrs Helen Barton	3	3

Alsager Multi Academy Trust

Governance Statement

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 of 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 Alsager Multi Academy Trust for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The MAT Board 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 MAT Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the MAT Board.

There were no material control or other issues reported by the Responsible Officer to date.

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 MAT Board;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks

The MAT Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the MAT Board have appointed Dains LLP (Chartered Accountants) to review and perform appropriate checks on a termly basis on the Trust's financial systems and report to the Chair of the Finance Committee on the operation of systems of control. Dains LLP have delivered their schedule of work and have found a few control issues which have been addressed fully by strengthening controls accordingly.

Review of effectiveness

As Accounting Officer, Mr Richard Middlebrook has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of Dains LLP ;
- the work of the external auditor;
- the financial management process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Alsager Multi Academy Trust

Governance Statement

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

Approved by order of the members of the MAT Board on 26/11/14 and signed on its behalf by:



.....
Mr Richard Middlebrook
Headteacher and Accounting Officer



.....
Mr Allan Richard Ward (Chair)
Director / Trustee

Alsager Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Alsager Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Board 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.



.....
Mr Richard Middlebrook
Accounting Officer

26-11-2014

Alsager Multi Academy Trust

Statement of Directors / Trustees' Responsibilities

The Directors / Trustees (who act as the directors of the charitable company of Alsager Multi Academy Trust for the purposes of company law) are responsible for preparing the Directors / Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors / Trustees to prepare financial statements for each financial year. Under company law the Directors / 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 Directors / Trustees are required to:

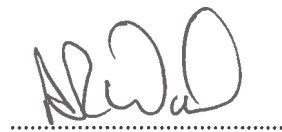
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

The Directors / 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 Directors / 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 the EFA/DfE have been applied for the purposes intended.

The Directors / 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 on 26/11/14 and signed on its behalf by:



Mr Allan Richard Ward (Chair)
Director / Trustee

Alsager Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Alsager Multi Academy Trust

We have audited the financial statements of Alsager Multi Academy Trust for the period from 4 July 2013 to 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Directors / Trustees, 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 charity's Directors / Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Directors / Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors / Trustees and auditors

As explained more fully in the Statement of Directors / Trustees' Responsibilities (set out on page 15), the Directors / Trustees (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. 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors / Trustees and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors / 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 the financial statements

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors / Trustees' Report for the financial period 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:

Alsager Multi Academy Trust

**Independent Auditor's Report on the Financial Statements to the members of Alsager
Multi Academy Trust**

- 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 Directors / Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 26-11-2014

Alsager Multi Academy Trust

Independent Auditor's Assurance Report on Regularity to Alsager Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 7 November 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 Alsager Multi Academy Trust during the period 4 July 2013 to 31 August 2014 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 the MAT Board and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the MAT Board and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the MAT Board and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the MAT Board accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the MAT Board's funding agreement with the Secretary of State for Education dated 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 to 2014. 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 from 4 July 2013 to 31 August 2014 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 Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency. 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.

A summary of the work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with 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 the financial statements to include regularity.

Alsager Multi Academy Trust

Independent Auditor's Assurance Report on Regularity to Alsager Multi Academy Trust and the Education Funding Agency

- We have assessed and tested a sample of 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 trusts delegated authorities and that the internal delegations have been approved by the MAT Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the MAT Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 4 July 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Hallidays, Chartered Accountants

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date:.....26-11-2014

Alsager Multi Academy Trust

Statement of Financial Activities for the Period from 4 July 2013 to 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	278,677	-	(1,256,000)	19,900,000	18,922,677
Other voluntary income	2	14,142	56,396	-	20,000	90,538
Investment income	3	609	-	-	-	609
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	4	-	6,420,105	-	276,304	6,696,409
<i>Other incoming resources</i>						
Other incoming resources	5	40,041	135,973	-	-	176,014
Total incoming resources		<u>333,469</u>	<u>6,612,474</u>	<u>(1,256,000)</u>	<u>20,196,304</u>	<u>25,886,247</u>
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations		-	6,215,382	48,000	586,798	6,850,180
Governance costs	8	-	35,571	-	-	35,571
Total resources expended	6	<u>-</u>	<u>6,250,953</u>	<u>48,000</u>	<u>586,798</u>	<u>6,885,751</u>
Net incoming/(outgoing) resources before transfers		333,469	361,521	(1,304,000)	19,609,506	19,000,496
Gross transfers between funds		<u>-</u>	<u>(4,157)</u>	<u>-</u>	<u>4,157</u>	<u>-</u>
Net income/(expenditure) for the period		333,469	357,364	(1,304,000)	19,613,663	19,000,496

Alsager Multi Academy Trust

Statement of Financial Activities for the Period from 4 July 2013 to 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2014 £
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	25	-	-	(347,000)	-	(347,000)
Net movement in funds/(deficit)		<u>333,469</u>	<u>357,364</u>	<u>(1,651,000)</u>	<u>19,613,663</u>	<u>18,653,496</u>
Reconciliation of funds						
Funds/(deficit) carried forward at 31 August 2014		<u>333,469</u>	<u>357,364</u>	<u>(1,651,000)</u>	<u>19,613,663</u>	<u>18,653,496</u>

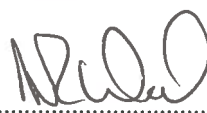
All of the Academy's activities derive from acquisitions in the current financial period.

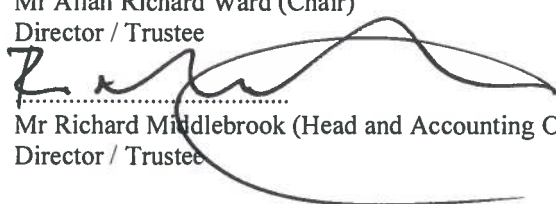
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Alsager Multi Academy Trust
(Registration number: 08597784)
Balance Sheet as at 31 August 2014

	Note	31 August 2014 £
Fixed assets		
Tangible assets	12	19,613,663
Current assets		
Debtors	13	290,098
Cash at bank and in hand		<u>778,730</u>
		1,068,828
Creditors: Amounts falling due within one year	14	<u>(377,995)</u>
Net current assets		<u>690,833</u>
Total assets less current liabilities		<u>20,304,496</u>
Net assets excluding pension liability		20,304,496
Pension scheme liability	25	<u>(1,651,000)</u>
Net assets including pension liability		<u><u>18,653,496</u></u>
Funds of the Academy:		
Restricted funds		
Restricted general fund	15	357,364
Restricted fixed asset fund	15	19,613,663
Restricted pension fund	15	<u>(1,651,000)</u>
		18,320,027
Unrestricted funds		
Unrestricted general fund	15	<u>333,469</u>
Total funds		<u><u>18,653,496</u></u>

The financial statements on pages 20 to 45 were approved by the Directors / Trustees, and authorised for issue on 26/11/14 and signed on their behalf by:


.....
Mr Allan Richard Ward (Chair)
Director / Trustee


.....
Mr Richard Middlebrook (Head and Accounting Officer)
Director / Trustee

Alsager Multi Academy Trust

Cash Flow Statement for the Period from 4 July 2013 to 31 August 2014

	Note	31 August 2014 £
Net cash inflow from operating activities	19	1,060,955
Cash transferred on conversion to an academy trust		(278,677)
Returns on investments and servicing of finance	20	609
Capital expenditure and financial investment	21	<u>(4,157)</u>
Increase in cash in the period	22	<u><u>778,730</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	778,730
Net funds at 4 July 2013	<u>-</u>
Net funds at 31 August 2014	<u><u>778,730</u></u>

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

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 Annual Accounts Direction 2013 to 2014 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.

Conversion to an academy trust

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.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Directors / Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Alsager Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

The Directors / 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 Directors / 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 Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

1 Accounting policies (continued)

Donations

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

Other income

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

Donated services and gifts in kind

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

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.

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors / Trustees' meetings and reimbursed expenses.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

1 Accounting policies (continued)

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Buildings	2% straight line
Plant and Machinery	20% reducing balance
Fixtures, Fittings and equipment	20% reducing balance
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

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

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

Leased assets

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

1 Accounting policies (continued)

Pension 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 Directors / 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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted pension funds £	Restricted fixed asset funds £	Total 2014 £
Transfer on conversion	278,677	-	(1,256,000)	19,900,000	18,922,677
Other voluntary income					
Donations - capital	-	-	-	20,000	20,000
Other donations	14,142	56,396	-	-	70,538
	<u>14,142</u>	<u>56,396</u>	<u>-</u>	<u>20,000</u>	<u>90,538</u>
Total voluntary income	<u>292,819</u>	<u>56,396</u>	<u>(1,256,000)</u>	<u>19,920,000</u>	<u>19,013,215</u>

3 Investment income

	Unrestricted funds £	Total 2014 £
Interest Received	609	609
	<u>609</u>	<u>609</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

4 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £
DfE/EFA capital grants			
Capital Grants	-	276,304	276,304
DfE/EFA revenue grants			
General Annual Grant (GAG)	6,074,042	-	6,074,042
Other DfE/EFA grants	201,995	-	201,995
	<u>6,276,037</u>	-	<u>6,276,037</u>
Other government grants			
Local Authority Grants	143,068	-	143,068
Non-government grants and other income			
Other non-government grant	1,000	-	1,000
Total grants	<u>6,420,105</u>	<u>276,304</u>	<u>6,696,409</u>

5 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2014 £
Misc income	21,422	-	21,422
Lettings income	18,619	-	18,619
Music income	-	15,187	15,187
Exam fees income	-	3,277	3,277
Joint Use income from Leisure Centre	-	117,509	117,509
	<u>40,041</u>	<u>135,973</u>	<u>176,014</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £
Academy's educational operations				
Direct costs	4,554,396	522,896	385,802	5,463,094
Allocated support costs	<u>555,317</u>	<u>591,330</u>	<u>240,439</u>	<u>1,387,086</u>
	5,109,713	1,114,226	626,241	6,850,180
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>35,571</u>	<u>35,571</u>
	<u>5,109,713</u>	<u>1,114,226</u>	<u>661,812</u>	<u>6,885,751</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

6 Resources expended (continued)

Net incoming/outgoing resources for the period include:

	31 August 2014 £
Operating leases	8,989
Fees payable to auditor - audit	7,500
- other services	<u>4,750</u>

7 Charitable activities - Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £
Direct costs			
Teaching and educational support staff costs	4,554,396	-	4,554,396
Depreciation	-	522,896	522,896
Educational supplies	254,582	-	254,582
Examination fees	108,495	-	108,495
Staff development	19,880	-	19,880
Other direct costs	<u>2,845</u>	<u>-</u>	<u>2,845</u>
	<u>4,940,198</u>	<u>522,896</u>	<u>5,463,094</u>
Allocated support costs			
Support staff costs	556,317	-	556,317
FRS 17 service cost adjustment	(1,000)	-	(1,000)
Depreciation	-	63,902	63,902
Maintenance of premises and equipment	175,812	-	175,812
Cleaning	72,811	-	72,811
Rent, rates and utilities	244,466	-	244,466
Insurance	34,339	-	34,339
Recruitment and support	18,684	-	18,684
Transport	23,978	-	23,978
Catering	15,321	-	15,321
Interest on defined benefit pension scheme	49,000	-	49,000
Other support costs	<u>133,456</u>	<u>-</u>	<u>133,456</u>
	<u>1,323,184</u>	<u>63,902</u>	<u>1,387,086</u>
	<u>6,263,382</u>	<u>586,798</u>	<u>6,850,180</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

8 Governance costs

	Restricted funds £	Total 2014 £
Legal and professional fees	23,121	23,121
Auditors' remuneration		
Audit of financial statements	7,500	7,500
Other audit services	4,750	4,750
Support costs	200	200
	<u>35,571</u>	<u>35,571</u>

9 Staff costs

	2014 £
Staff costs during the period were:	
Wages and salaries	4,018,918
Social security costs	301,629
Pension costs	633,279
Supply teacher costs	112,887
Compensation payments	43,000
	<u>5,109,713</u>

Staff severance payments

Included in compensation payments are non-statutory/non-contractual severance payments totalling £43,000. All of the non-statutory/non-contractual payments exceed £5,000 individually, and these were for £18,000, £15,000 and £10,000 respectively.

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows:

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

9 Staff costs (continued)

	31 August 2014 No
Charitable Activities	
Teachers	77
Administration and support	43
Management	9
	<hr/>
	129
	<hr/> <hr/>

Higher paid staff

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

	31 August 2014 No
£60,001 - £70,000	1
£80,001 - £90,000	1
	<hr/>
	1
	<hr/> <hr/>

2 of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £20,229.

10 Related Party Transactions - Directors / Trustees' Remuneration and Expenses

The Headteacher and Directors / Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Directors / Trustees. Other Directors / Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Directors / Trustees. The value of Directors / Trustees' remuneration and pension contributions during their period of time in office was as follows:

Mr Richard Middlebrook (Headteacher): £90,000 - £95,000

Mrs Alison Dawn Pole (Director / Trustee): £50,000 - £55,000

During the period ended 31 August 2014, travel and expenses totalling £270 were reimbursed to 1 Director / Trustee.

Related party transactions involving the Directors / Trustees are set out in note 26.

11 Directors / Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors / 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 period ended 31 August 2014 is included in the total insurance cost.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

12 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
Transferred on conversion	19,000,000	550,000	350,000	19,900,000
Additions	<u>270,282</u>	<u>30,179</u>	<u>-</u>	<u>300,461</u>
At 31 August 2014	<u>19,270,282</u>	<u>580,179</u>	<u>350,000</u>	<u>20,200,461</u>
Depreciation				
Charge for the period	<u>360,000</u>	<u>110,131</u>	<u>116,667</u>	<u>586,798</u>
At 31 August 2014	<u>360,000</u>	<u>110,131</u>	<u>116,667</u>	<u>586,798</u>
Net book value				
At 31 August 2014	<u>18,910,282</u>	<u>470,048</u>	<u>233,333</u>	<u>19,613,663</u>

The transfer value on conversion to academy of land and buildings was ascertained by Mark Gormley, AC11 Chartered Insurer, Risk Services Surveyor. The basis of valuation was the "depreciated replacement cost method of valuation"

13 Debtors

	31 August 2014 £
Trade debtors	3,018
Prepayments	37,771
Accrued grant and other income	62,250
VAT recoverable	61,809
Other debtors	<u>125,250</u>
	<u>290,098</u>

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

14 Creditors: amounts falling due within one year

	31 August 2014
	£
Trade creditors	10,581
Other creditors	131,874
Pension scheme creditor	20,955
Accruals	185,093
Deferred income	29,492
	<u>377,995</u>
	31 August 2014
	£
Resources deferred in the period	<u>29,492</u>

Deferred income relates to EFA rates relief of £14,480 and the remainder is Devolved Formula Capital grant received in respect of the year ended 31st March 2015.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

15 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds				
General Annual Grant (GAG)	6,074,042	(5,784,103)	(4,157)	285,782
Other DfE/EFA grants	201,996	(201,996)	-	-
Other restricted income	336,437	(264,855)	-	71,582
	<u>6,612,475</u>	<u>(6,250,954)</u>	<u>(4,157)</u>	<u>357,364</u>
Restricted fixed asset funds				
DfE/EFA capital grants	276,304	-	-	276,304
Assets transferred on conversion	19,900,000	(586,798)	-	19,313,202
Private capital donation	20,000	-	-	20,000
Capital expenditure from GAG	-	-	4,157	4,157
	<u>20,196,304</u>	<u>(586,798)</u>	<u>4,157</u>	<u>19,613,663</u>
Restricted pension funds				
Restricted Pension Fund	<u>(1,256,000)</u>	<u>(48,000)</u>	<u>(347,000)</u>	<u>(1,651,000)</u>
Total restricted funds	25,552,779	(6,885,752)	(347,000)	18,320,027
Unrestricted funds				
Unrestricted general funds	<u>333,469</u>	<u>-</u>	<u>-</u>	<u>333,469</u>
Total funds	<u>25,886,248</u>	<u>(6,885,752)</u>	<u>(347,000)</u>	<u>18,653,496</u>

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 trust.

Restricted fixed asset funds are those funds relating to the long term assets of the Trust used in delivering the objects of the Trust.

Unrestricted funds are funds which the Directors / Trustees may use in the pursuance of the Trust's objectives and are expendable at the discretion of the Directors / Trustees.

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 2014

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	19,613,663	19,613,663
Current assets	333,469	735,359	-	1,068,828
Current liabilities	-	(377,994)	-	(377,994)
Pension scheme liability	-	(1,651,000)	-	(1,651,000)
Total net assets	333,469	(1,293,635)	19,613,663	18,653,497

17 Capital commitments

**31 August
2014
£**

Capital commitments contracted for but not provided for in the financial statements are as follows:-

Contracted sum for computer equipment	62,577
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18 Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

**31 August
2014
£**

Other

Within two to five years	8,989
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Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

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

	31 August 2014 £
Net income before actuarial loss	19,000,496
Depreciation (note 12)	586,798
Cash transferred on conversion to an academy trust	278,677
Capital grants from DfE/EFA and other capital income	(296,304)
Donations - Inherited assets less pension liability	(18,644,000)
Interest receivable (note 3)	(609)
FRS 17 pension finance cost	49,000
FRS17 pension cost less contributions payable	(1,000)
Increase in debtors	(290,098)
Increase in creditors	377,995
Net cash inflow from operating activities	1,060,955

20 Returns on investments and servicing of finance

	31 August 2014 £
Interest received	609
Net cash inflow from returns on investments and servicing of finance	609

21 Capital expenditure and financial investment

	31 August 2014 £
Purchase of tangible fixed assets	(300,461)
Capital grants from DfE	276,304
Capital funding received from sponsors and others	20,000
Net cash outflow from capital expenditure and financial investment	(4,157)

22 Analysis of changes in net funds

	At 4 July 2013	Cash flows	At 31 August 2014
	£	£	£
Cash at bank and in hand	-	778,730	778,730

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

23 Contingent liabilities

During the life 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 that 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.

24 Members' liability

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

25 Pension and similar obligations

The Academy'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 Cheshire West and Chester 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 2013.

Contributions amounts to £20,955 were payable to the schemes at 31 August 2014 and are included within creditors.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

25 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers 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.

The Teachers' Pensions Regulations require an annual 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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

25 Pension and similar obligations (continued)

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. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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 up to three and a half years outside of the 10 year protection.

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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 period ended 31 August 2014 was £238,000, of which employer's contributions totalled £190,000 and employees' contributions totalled £48,000. The agreed contribution rates for future years are 23.8 per cent for employers and banded from 5.5 to 12.5 per cent for employees.

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

As described in the notes 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 period. 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.

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2014
	%
Rate of increase in salaries	3.40
Rate of increase for pensions in payment/inflation	2.60
Discount rate for scheme liabilities	<u>3.70</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5%
Adjustment to discount rate	£
Projected service cost	<u>327,000</u>
	+ 0.5%
Adjustment to rate of inflation	£
Projected service cost	<u>152,000</u>
	+ 0.5%
Adjustment to rate of salary growth	£
Projected service cost	<u>165,000</u>
	+ 1%
Adjustment to mortality age rating assumption	£
Projected service cost	<u>76,000</u>

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

	At 31 August 2014
Retiring today	
Males retiring today	22.30
Females retiring today	24.40
Retiring in 20 years	
Males retiring in 20 years	24.10
Females retiring in 20 years	<u>26.70</u>

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

25 Pension and similar obligations (continued)

	At 31 August 2014
	£
Equities	652,000
Government bonds	125,000
Property	63,000
Cash	<u>54,000</u>
Total market value of assets	<u>894,000</u>
Surplus in the scheme	<u><u>894,000</u></u>

The expected rates of return were:

	At 31 August 2014
	%
Equities	6.30
Government bonds	2.90
Property	4.50
Cash	<u>3.30</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £88,000.

Amounts recognised in the statement of financial activities

	31 August 2014
	£
Current service cost	<u>189,000</u>
Total operating charge	<u><u>189,000</u></u>

Analysis of pension finance income/(costs)

	31 August 2014
	£
Expected return on pension scheme assets	40,000
Interest on pension liabilities	<u>(89,000)</u>
Pension finance costs	<u><u>(49,000)</u></u>

The actuarial gains and losses for the current period 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 (£347,000).

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

25 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	31 August 2014 £
At 4 July	1,824,000
Current service cost	189,000
Interest cost	89,000
Employee contributions	48,000
Actuarial losses	395,000
	<hr/>
At 31 August	<u>2,545,000</u>

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

	31 August 2014 £
At 4 July	568,000
Expected return on assets	40,000
Actuarial gains	48,000
Employer contributions	190,000
Employee contributions	48,000
	<hr/>
At 31 August	<u>894,000</u>

The estimated value of employer contributions for next period is £212,000.

26 Related party transactions

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

27 Conversion to an academy trust

On 1 September 2013 Alsager School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Alsager Multi Academy Trust from the Cheshire East Council for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

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

Alsager Multi Academy Trust

Notes to the Financial Statements for the Period from 4 July 2013 to 31 August 2014

	Unrestricted fund £	Restricted funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	19,000,000	19,000,000
Other tangible fixed assets	-	-	900,000	900,000
Budget surplus on LA funds	278,677	-	-	278,677
LGPS pension deficit	-	(1,256,000)	-	(1,256,000)
Net assets/(liabilities)	278,677	(1,256,000)	19,900,000	18,922,677

The above net assets include £278,677 that were transferred as cash.