

Company Registration No. 07333089 (England and Wales)

AUDENSHAW SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

AUDENSHAW SCHOOL ACADEMY TRUST

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AUDENSHAW SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Mr T Hall (Chair of Governors) Mrs J Saw (Headteacher and Accounting Officer) Mr K Brown Mr B Atkin Mr B Miller Mr W Thorpe (resigned on 28 November 2018) Mrs G Miller Mr N Jackson Ms J Roberts Mr T Gartside Mr W Longden (appointed on 1 December 2018)
Members	Mr T Hall (Chair of Governors) Mr B Miller Mr W Thorpe
Senior management team	
- Headteacher	Mrs J Saw
- Deputy Headteacher	Mr K Harrison
- Chief Financial Officer	Mr A Sahi (resigned on 11 June 2019) Mr I Hilton (appointed on 3 June 2019)
Company registration number	7333089 (England and Wales)
Principal & registered office	Hazel Street Audenshaw Manchester M34 5NB
Independent auditor	Haines Watts Bridge House Ashley Road Altrincham WA14 2UT
Bankers	Lloyds 10 Booth Street Manchester M2 4AW
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

In 2018-19 the trust operated an academy for pupils aged 11 to 19 serving a catchment area of Audenshaw, Denton, Droylsden and Ashton-u-Lyne within Tameside MBC with additional students coming from Openshaw in east Manchester. It had a pupil capacity of 1,240; this included the sixth form which is now closed and had no pupils in year 12 and a very much reduced number in year 13. It had a roll of 1,007 in the school census on 04/10/2018.

Structure, governance and management

Constitution

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

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

Details of the governors who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

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

Method of recruitment and appointment or election of governors

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

The articles of association require that the members of the academy trust shall comprise:

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

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

The trustees who were in office during 2018/19 are listed on page 1.

Policies and procedures adopted for the induction and training of trustees

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

All trustees and governors have access to a range of training programmes.

Organisational structure

The organisational structure of the academy consists of two levels: The board of governors and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The academy is governed by the board which delegates functions to the senior leadership team. Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy.

The board of governors is responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, and senior staff appointments. The governors are responsible for monitoring the performance of the headteacher and senior leadership team on a regular basis.

The Senior Leadership Team members for Audenshaw Academy are the headteacher, deputy headteacher and four assistant headteachers. These managers control the academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The headteacher is the accounting officer.

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

Each committee of the board of governors has a Terms of Reference.

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade union facility time

There has been no facilitated time allocated to union representatives during the period.

Related parties and other connected charities and organisations

The academy trust has not transacted with any related parties during the year.

Objectives and activities

Objects and aims

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

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

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

Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2019 are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.
- Establish and enter a comprehensive and successful programme to equip students fully for life after school, centred on a culture of ambition and raising aspirations
- Continue to review and refine whole-school systems for assessing students' progress (with a particular focus on key stage 3).

Public benefit

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

Achievements and performance

Key performance indicators

Performance Table – GCSEs 2019

Number of Candidates 183

Achieving 2 or more 9 to 4 grades in English and Maths 88% (78% in 2018)

Achieving 2 or more 9-5 grades in English and Maths 63 % (55% in 2018)

Average total attainment 8 score per student is 54.05 (48.8 in 2018)

Progress 8 score – provisionally above average at +0.42 (+0.04 in 2018)

Educational outcomes

At GCSE Provisional Progress 8 (P8) is +0.40 for 2019 a significant improvement on 2018. The overall progress of our students is well above that of other schools and based on the available 2018 comparatives places Audenshaw in the top 5% of schools nationally for boys.

The impact of this is such that on average every single one of our boys in 2019 achieved the equivalent of seven grades higher than boys of the same ability in other schools.

Maths and English both have very strong positive P8 scores and are also expected to be in the top 5% nationally. All performance areas have improved significantly from a solid position in 2018. All curriculum areas are strong and the majority have strengthened their performance even further.

Progress 8 for Disadvantaged students is +0.30 which is significantly higher than other schools and again is expected to be in the top 5% comparatively.

9-4 in English and Maths is currently 88% in 2019 which is 10% higher than last year. This is significantly above the average of other schools which is around 65%.

9-5 in English and Maths is currently 63% which is 8% higher than last year and also significantly above the national comparative.

Year 11 achievement is strong in all areas for all ability profiles and for all student characteristics.

Performance Table – A Levels 2019 Totals

Number of Candidates 47

Achieving 3 A Levels A* to E 81%

Achieving 3 A Levels A* to B 13%

Average point score (per entry) = 28.2

At A Level, the average point score per student was 75. The average points score per entry was 27.

Destination information (2019) indicates that 55% of all Year 13 students achieved a place at university. One student has achieved a place for Medicine, one will be studying for a degree in Ophthalmology and one is starting a course in Pharmacy.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Extra-curricular activities

Extra-Curricular sports programme continues to be extensive, outstripping all of our rival schools for numbers of participants and level of competition. In addition to the sports achievements documented below there is an extensive schedule of sporting activities available at lunchtime as well as inter-form competitions taking place across all years. There are also a number of Tameside PEA competitions that we organise or enter in other sports such as: Badminton, Table tennis, Strongstars, Triathlon, Basketball and Athletics relays.

Rugby

Over the 2018/19 season over 120 boys represented Audenshaw School at rugby in the traditional September-March season. This involved 22 Saturday block fixtures in which now 5 Audenshaw teams took part from Year 11 to Year 13 as well as the Lancashire Schools, NATWEST National Schools and Rugby Sevens and Tens Tournaments at every age group. The list of opponents includes many of the top rugby playing schools in the north of England and are long established in our list. Notable victories for our teams occurred over Manchester Grammar, Merchant Taylor's, Stonyhurst College and Bolton School. The U14s team reached the Lancashire cup final. The U16s and U15s were Lancashire plate winners. Individual success was plentiful with ten Audenshaw students being selected for Sale Sharks DPD and Lancashire and three of our former students earning or extending their senior professional contracts. The Audenshaw School Rugby Programme was again highlighted as an example of outstanding practice by the Lancashire RFU with the achievements and accolades mentioned by the National Governing Body.

Football

Our Year 11 team finished their school career with another Tameside Cup to their tally. More impressive than this was the fact they also reached the Greater Manchester Cup final and the last eight of the ESFA National Cup. Several of this team have moved onto scholarships with professional clubs. The Year 10 team also won their Tameside final. The Year 7 reached both the Tameside and Greater Manchester finals unfortunately losing both. The Yr9 was also beaten finalists in Tameside.

Two students were selected to play for the Manchester County sides at U16 to compete in their national competition are still continuing their progression through the ranks at top level football academies, including Manchester United, Blackburn Rovers, Oldham and Rochdale. Several former students are currently playing their trade at Salford City and others are in full time professional clubs in the ranging from the Championship, League 1 to the Indian Premier League.

Audenshaw School continues to be a well-recognised force at local, county and national level.

Swimming

Swimming continues to flourish as one of the most successful sports undertaken by Audenshaw students. The Sharks registered victories over Leeds Grammar, Bradford Grammar and Bolton School amongst others in a truly excellent campaign. The intermediate boys' team qualified for the ESSA National Relay Finals in London for the second time in three years having qualified through the regional Title in Everton in October. Two members of the Sharks team qualified for the National Championships to compete in the company of the likes of Adam Peaty and James Guy.

On a development level, 40+ boys were involved in Sharks training on a Thursday afternoon at Denton Swimming Pool, working hard to produce another "golden generation" of swimmers.

Cricket

The cricket teams continued to perform well in 2019 with all teams progressing through the early rounds in County Cups and Plates. Individual accolades were a plenty for the Audenshaw boys. Audenshaw students have represented Lancashire and Cheshire this summer with several others involved with the Tameside teams.

Four former Audenshaw students are currently paid to play the game they learned with us with the County or at elite club level.

Athletics

Our athletics teams continue to compete well at a local and regional level. Our year 8 team competed in the North West final of the English Schools cup competition and were crowned junior boys champions at the

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Tameside Athletics Championships, narrowly beating local rivals West Hill. Despite several winners and medal winning performances the Inter boy's team came second. A combined team was also crowned Tameside relay champions 2019. This year saw us continue to increase the number of opportunities to compete in athletics with new matches against other schools including Bury GS.

Music

Summative outcomes continue to be outstanding, with positive residuals, SPI and are significantly above national average.

The format of termly concerts is now fully embedded as whole school celebration of achievement. Successes, achievements and dedication of our students provide musicians with a full audience.

Subsidiary qualifications such as *Rock and Pop* has proved extremely beneficial to student development and instrumental performance, further supporting Component 1 of GCSE Music. Year 11 students achieving the qualification counted in whole school performance measures in Basket 3.

PP students are extremely well supported in instrumental uptake and as a result this has an extremely positive impact on GCSE numbers. Without this level of support these students would not be able to have the opportunity. Strict performance measures are in place through weekly attendance monitoring and termly reviews along with summative external assessment at the conclusion of the academic year.

Charity work

Audenshaw School continued with its charity fundraising events such as Christmas jumper day, Poppy Appeal, Year 7 coffee morning event, Manchester Arena bombing awareness day, Active Audenshaw, Christmas Hampers and the Christmas Sale at the awards day. We raised money for several charities this year including Save The Children £2,211.11, British Heart Foundation £929.14, Millie's Trust £147.61 and the Royal British Legion £1,217.19.

We have continued to develop our aims towards student leadership by asking students to host their own charity events; this has included cake sales, 10K runs and a bike ride from London to Paris.

Trips and events

The school has had an exciting year of educational trips this year from all subject areas.

GCSE History students visited Shakespeare's Globe Theatre as part of their GCSE course, they all found this extremely beneficial. The GCSE History cohort also visited Normandy which was timely to coincide with the 75th anniversary of D Day and the Battle of Normandy.

The Geography department visited Chester Zoo with a group of Year 9's, they have also had several field trips including to Daisy Nook. The department also took Year 11 GCSE students to visit PGL in Preston for a revision weekend before their final exams.

DT department arranged a trip to the Jaguar Factory to learn about how a line of production works.

The Art department visited Saltire Mill with GCSE students to photograph their Italianate buildings.

Music students from across all years were selected to attend the Trinity Rock Discovery event.

Tameside Careers Fair and the Apprentice Show were big events for all our Year 10 students to offer them guidance and raise their aspirations.

The Science department ran several trips this year to places including Manchester of Science and Industry museum and to Manchester City where the students enjoyed training and learning about Sports Science in an interactive manner.

The PE department ran a football tour trip to PSV Eindhoven in April; the football team played matches and trained with other clubs.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

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

Key financial performance indicators:

- Funds available for long term capital investment

Financial review

The trust held fund balances at 31 August 2019 of £8,896k, comprising £278k of restricted funds, £9,931 of fixed asset funds, a pension reserve deficit of £1,867k, and £554k of unrestricted general funds.

Most of the trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds (non-fixed assets in the Statement of Financial Activities).

During the year ended 31 August 2019, total expenditure of £6,251k was more than recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period was £491k. This excess is after accounting for a depreciation charge of £432k and movement on the defined benefit pension scheme of £186k.

Following the actuarial loss on defined benefit pension scheme of £718k, the net movement in funds in the year was a decrease of £1,209k.

Reserves policy

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

At 31 August 2019 the academy held free reserves not tied up in fixed assets or designated by the governors of £554k. £278k of restricted general funds is available to be used for the academy's operational activities and development.

During 2018-19 128k of reserves was allocated for long term investment in ICT infrastructure. Initial work began in August 2019 and is anticipated to be completed by October 2019.

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

Investment policy

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

Risk management

The governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The governors have implemented a Risk Register and a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have systems in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with the guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Principal risks and uncertainties

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

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

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

Government funding

The academy has considerable reliance on continued government funding through the ESFA. In 2018/19, over 99% of the academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

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

Maintain adequate funding of pension liabilities

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

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the governors.

Plans for future periods

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

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

Sixth Form closure

In August 2019 Audenshaw School Sixth Form closed when year 13 students completed their studies. This followed a decision made by the governing body after a formal consultation, to not recruit new Sixth Form students from September 2018.

A number of factors influenced this decision:

- Uncertainty. The uncertain future of school sixth forms has been highlighted in the media over many years and particularly in the light of budget changes to post-16 funding, which has substantially declined over recent years.
- Cost of providing the provision. An average sixth form college has around 1,000 students, while an average school sixth form has approximately 200. As a result, economies of scale apply which means it is more expensive for school to provide sixth form provision than a sixth form or FE college.
- Demand for places. Recent year 12 student numbers were: 50 (2015/16), 70 (2016/17), 50 (2017/18).

As a result of the numbers of students joining the Sixth Form, the school had to consider the needs and priorities of the majority of students at Audenshaw School.

Year 11-16 extension

Local authorities have a statutory duty to ensure that there are sufficient school places to meet demand. A review performed by Tameside Local Authority based on: birth rate, in year movement, cohort survival rates, parental preference and planned housing development highlighted significant future surplus demand for student places.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The board of governors has formally met 4 times during the year, 1 time of which for extra ordinary meetings. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr T Hall (Chair of governors)	3	4
Mrs J Saw (Headteacher and accounting officer)	3	4
Mr K Brown	4	4
Mr B Atkin	3	4
Mr B Miller	4	4
Mrs G Miller	4	4
Mr T Gartside	1	4
Mr N Jackson	2	4
Mrs J Roberts	3	4
Mr W Longden (appointed on 1 December 2018)	2	3
Mr W Thorpe (resigned on 28 November 2018)	0	1

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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr K Brown (Chair of resource committee)	3	3
Mrs J Saw (Headteacher and accounting officer)	3	3
Mr T Hall	2	3
Mr B Atkin	3	3
Mrs G Miller	3	3
Mr N Jackson	2	3
Mr W Longden	0	2

Review of value for money

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

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Audenshaw School approved additional placing for the 2019-20 year 7 cohort, 218 Pupils (183 in 2018-19). Continuing discussions around future year groups indicate there may be an ability to accept additional pupils up to 240 per year group based on the modification and usage of the Sixth Form site.

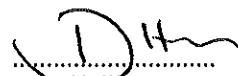
Auditor

In so far as the governors are aware:

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

A resolution proposing that Haines Watts be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 10/12/2019 and signed on its behalf by:


.....
Mr T Hall
Chair of governors

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

- improving the school's overall Progress 8 figure Provisional Progress 8 (P8) is +0.40;
- Progress 8 for Disadvantaged students is +0.30;
- 9-4 in English and Maths is currently 88% in 2019 which is 10% higher than last year;
- 9-5 in English and Maths is currently 63% which is 8% higher than last year;
- adhering to financial regulations, required quotations and ordering processes;
- reviewing and maintaining a contracts register. Savings include refuse collection services, broadband and water services;
- use of central Government initiatives such as the RPA insurance scheme; and
- implementing a restructure process to account for sixth form closure.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Audenshaw School Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

For 2018/19 the board of governors appointed an internal audit service provided by the Association of School and College Leaders, to provide a detailed inspection of the academy trust's procedures.

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

- budget planning, monitoring and reporting;
- testing of purchasing systems;
- testing of payroll systems;
- testing income processes;
- cash control including bank reconciliations; and
- reviewing catering functions.

On a termly basis the auditor reports to the board of governors, through the resource committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

AUDENSHAW SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

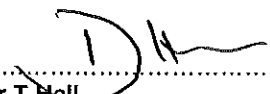
Review of effectiveness


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

- the work of the internal auditor;
- the work of the external auditor; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework;

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

Approved by order of the members of the board of governors on10/12/2019..... and signed on its behalf by:


.....
Mr T Hall
Chair of governors


.....
Mrs J Saw
Headteacher and accounting officer

AUDENSHAW SCHOOL ACADEMY TRUST

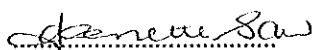
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Audenshaw School Academy Trust I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and ESFA.



Mrs J Saw
Accounting officer

Date: 10.12.19

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors (who act as trustees for Audenshaw School Academy Trust and are also the directors of Audenshaw School Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

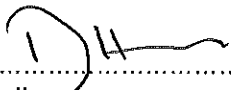
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of governors on 10/12/2019 and signed on its behalf by:


.....
Mr T Hall
Chair of governors

AUDENSHAW SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Audenshaw School Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report that fact.

We have nothing to report in this regard.

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

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

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDENSHAW SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts
.....
Candice Beynon FCCA (Senior Statutory Auditor)

for and on behalf of
Haines Watts
Chartered Accountants
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: *10/12/19*.....

AUDENSHAW SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 12 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Audenshaw School Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Audenshaw School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Audenshaw School Academy Trust's funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

AUDENSHAW SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AUDENSHAW SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

..... *Haines Watts*

Haines Watts
Reporting Accountant

Date: *10/12/19*

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	3	-	-	108	108	23
Charitable activities:						
- Funding for educational operations	4	-	5,568	-	5,568	5,695
Other trading activities	5	83	-	-	83	147
Investments	6	1	-	-	1	1
Total		<u>84</u>	<u>5,568</u>	<u>108</u>	<u>5,760</u>	<u>5,866</u>
Expenditure on:						
Raising funds	7	59	-	-	59	87
Charitable activities:						
- Educational operations	8	-	5,760	432	6,192	6,419
Total	7	<u>59</u>	<u>5,760</u>	<u>432</u>	<u>6,251</u>	<u>6,506</u>
Net income/(expenditure)		25	(192)	(324)	(491)	(640)
Transfers between funds	16	-	(79)	79	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(718)	-	(718)	368
Net movement in funds		25	(989)	(245)	(1,209)	(272)
Reconciliation of funds						
Total funds brought forward		<u>529</u>	<u>(600)</u>	<u>10,176</u>	<u>10,105</u>	<u>10,377</u>
Total funds carried forward		<u>554</u>	<u>(1,589)</u>	<u>9,931</u>	<u>8,896</u>	<u>10,105</u>

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	3	-	-	23	23
Charitable activities:					
- Funding for educational operations	4	-	5,695	-	5,695
Other trading activities	5	147	-	-	147
Investments	6	1	-	-	1
Total		<u>148</u>	<u>5,695</u>	<u>23</u>	<u>5,866</u>
Expenditure on:					
Raising funds	7	87	-	-	87
Charitable activities:					
- Educational operations	8	-	5,878	541	6,419
Total	7	<u>87</u>	<u>5,878</u>	<u>541</u>	<u>6,506</u>
Net income/(expenditure)		61	(183)	(518)	(640)
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	368	-	368
Net movement in funds		61	185	(518)	(272)
Reconciliation of funds					
Total funds brought forward		<u>468</u>	<u>(785)</u>	<u>10,694</u>	<u>10,377</u>
Total funds carried forward		<u>529</u>	<u>(600)</u>	<u>10,176</u>	<u>10,105</u>

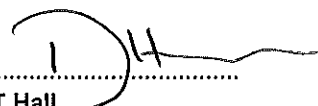
AUDENSHAW SCHOOL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	12	9,931	10,160
Current assets			
Debtors	13	176	172
Cash at bank and in hand		1,160	1,018
		<u>1,336</u>	<u>1,190</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(504)	(282)
Net current assets		<u>832</u>	<u>908</u>
Net assets excluding pension liability		<u>10,763</u>	<u>11,068</u>
Defined benefit pension scheme liability	18	(1,867)	(963)
Total net assets		<u>8,896</u>	<u>10,105</u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		9,931	10,176
- Restricted income funds		278	363
- Pension reserve		(1,867)	(963)
Total restricted funds		<u>8,342</u>	<u>9,576</u>
Unrestricted income funds	16	<u>554</u>	<u>529</u>
Total funds		<u>8,896</u>	<u>10,105</u>

The accounts were approved by the governors and authorised for issue on 10/12/19 and are signed on their behalf by:



 Mr T Hall
 Chair of governors

Company Number 07333089

AUDENSHAW SCHOOL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	£000	2018 £000	£000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		236		(52)
Cash flows from Investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE Group		80		23	
Capital funding received from sponsors and others		28		-	
Purchase of tangible fixed assets		(203)		(7)	
Net cash (used in)/provided by investing activities			<u>(94)</u>		<u>17</u>
Net Increase/(decrease) in cash and cash equivalents in the reporting period			142		(35)
Cash and cash equivalents at beginning of the year			<u>1,018</u>		<u>1,053</u>
Cash and cash equivalents at end of the year			<u><u>1,160</u></u>		<u><u>1,018</u></u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

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

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 balance basis over its expected useful life, as follows:

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

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy trust.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds.

2 Critical accounting estimates and areas of judgement

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	80	80	23
Other donations	-	28	28	-
	<u>-</u>	<u>108</u>	<u>108</u>	<u>23</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
General annual grant (GAG)	-	5,249	5,249	5,411
Other DfE group grants	-	294	294	230
	<u>-</u>	<u>5,543</u>	<u>5,543</u>	<u>5,641</u>
Other government grants				
Local authority grants	-	25	25	54
	<u>-</u>	<u>25</u>	<u>25</u>	<u>54</u>
Total funding	<u>-</u>	<u>5,568</u>	<u>5,568</u>	<u>5,695</u>

The academy trust received £25,000 from the local authority in the year, being £13,000 pupil premium funding and £12,000 High Needs funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Other income	83	-	83	147
	<u>83</u>	<u>-</u>	<u>83</u>	<u>147</u>

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Other investment income	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds					
- Direct costs	-	-	59	59	87
Academy's educational operations					
- Direct costs	4,086	-	254	4,340	4,458
- Allocated support costs	794	748	310	1,852	1,961
	<u>4,880</u>	<u>748</u>	<u>623</u>	<u>6,251</u>	<u>6,506</u>

Net Income/(expenditure) for the year Includes:

	2019 £000	2018 £000
Fees payable to auditor for:		
- Audit	6	7
- Other services	1	1
Operating lease rentals	13	13
Depreciation of tangible fixed assets	432	541
Net interest on defined benefit pension liability	<u>29</u>	<u>31</u>

8 Charitable activities

	2019 £000	2018 £000
All from restricted funds:		
Direct costs		
Educational operations	4,340	4,458
Support costs		
Educational operations	1,852	1,961
	<u>6,192</u>	<u>6,419</u>

Analysis of costs

	2019 £000	2018 £000
Direct costs		
Teaching and educational support staff costs	4,086	4,195
Staff development	7	9
Technology costs	7	7
Educational supplies and services	91	81
Examination fees	86	96
Educational consultancy	9	16
Other direct costs	54	54
	<u>4,340</u>	<u>4,458</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

Support costs	2019 £000	2018 £000
Support staff costs	794	745
Depreciation	432	541
Technology costs	84	79
Recruitment and support	12	22
Maintenance of premises and equipment	103	144
Cleaning	17	18
Energy costs	118	113
Rent, rates and other occupancy costs	46	43
Insurance	23	25
Security and transport	9	8
Catering	35	31
Interest on defined benefit pension scheme	29	31
Other support costs	126	145
Governance costs	24	16
	<u>1,852</u>	<u>1,961</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £000	2018 £000
Wages and salaries	3,566	3,700
Social security costs	368	379
Pension costs	699	731
Amounts paid to employees	<u>4,633</u>	<u>4,810</u>
Agency staff costs	201	130
Staff restructuring costs	46	-
Amounts paid to staff	<u>4,880</u>	<u>4,940</u>
Staff development and other staff costs	7	9
Total staff expenditure	<u>4,887</u>	<u>4,949</u>

Staff restructuring costs comprise:

Redundancy payments	34	-
Severance payments	12	-
	<u>46</u>	<u>-</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,000 (2018: £nil). Individually, the payments were: £1,420, £4,150, £1,614 and £4,404.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff numbers

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

	2019 Number	2018 Number
Teachers	69	72
Administration and support	35	44
Management	3	6
	<u>107</u>	<u>122</u>

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £241,162 (2018 - £259,117).

10 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

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

J Saw (Headteacher and Accounting officer) £90,001 - £100,000 (2018: £90,001 - £100,000)

11 Governors and officers insurance

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

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2018	11,072	1,255	910	52	13,289
Additions	28	105	70	-	203
Disposals	-	-	-	(2)	(2)
At 31 August 2019	11,100	1,360	980	50	13,490
Depreciation					
At 1 September 2018	1,412	1,143	535	39	3,129
Charge for the year	222	105	92	11	430
At 31 August 2019	1,634	1,248	627	50	3,559
Net book value					
At 31 August 2019	9,466	112	353	-	9,931
At 31 August 2018	9,660	112	375	13	10,160

13 Debtors

	2019 £000	2018 £000
VAT recoverable	59	22
Prepayments and accrued income	117	150
	176	172

14 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	137	58
Other taxation and social security	151	160
Other creditors	-	1
Accruals and deferred income	216	63
	504	282

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Deferred income				2019	2018
					£000	£000
	Deferred income is included within:					
	Creditors due within one year				15	-
					<u> </u>	<u> </u>
	Deferred income at 1 September 2018				-	-
	Resources deferred in the year				15	-
					<u> </u>	<u> </u>
	Deferred income at 31 August 2019				15	-
					<u> </u>	<u> </u>
16	Funds					
		Balance at			Gains,	Balance at
		1 September	Income	Expenditure	losses and	31 August
		2018	£000	£000	transfers	2019
		£000			£000	£000
	Restricted general funds					
	General Annual Grant (GAG)	363	5,249	(5,255)	(79)	278
	Other DfE / ESFA grants	-	294	(294)	-	-
	Other government grants	-	25	(25)	-	-
	Pension reserve	(963)	-	(186)	(718)	(1,867)
		<u>(600)</u>	<u>5,568</u>	<u>(5,760)</u>	<u>(797)</u>	<u>(1,589)</u>
	Restricted fixed asset funds					
	Inherited on conversion	6,876	-	(138)	-	6,738
	DfE group capital grants	3,300	80	(294)	(7)	3,079
	Capital expenditure from GAG	-	-	-	86	86
	Private sector capital sponsorship	-	28	-	-	28
		<u>10,176</u>	<u>108</u>	<u>(432)</u>	<u>79</u>	<u>9,931</u>
	Total restricted funds	9,576	5,676	(6,192)	(718)	8,342
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	529	84	(59)	-	554
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	10,105	5,760	(6,251)	(718)	8,896
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

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

Restricted general funds are those 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.

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

Unrestricted funds are those which the board of trustees may use in 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 trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

During the year there was a transfer of £86,000 from GAG to restricted fixed assets to reflect the purchase of fixed assets from GAG funding.

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	317	5,411	(5,365)	-	363
Other DfE / ESFA grants	47	230	(300)	23	-
Other government grants	-	54	(31)	(23)	-
Pension reserve	(1,149)	-	(182)	368	(963)
	<u>(785)</u>	<u>5,695</u>	<u>(5,878)</u>	<u>368</u>	<u>(600)</u>
Restricted fixed asset funds					
Transfer on conversion	7,052	-	(176)	-	6,876
DfE group capital grants	3,642	23	(365)	-	3,300
	<u>10,694</u>	<u>23</u>	<u>(541)</u>	<u>-</u>	<u>10,176</u>
Total restricted funds	<u>9,909</u>	<u>5,718</u>	<u>(6,419)</u>	<u>368</u>	<u>9,576</u>
Unrestricted funds					
General funds	468	148	(87)	-	529
Total funds	<u>10,377</u>	<u>5,866</u>	<u>(6,506)</u>	<u>368</u>	<u>10,105</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	9,931	9,931
Current assets	1,058	278	-	1,336
Creditors falling due within one year	(504)	-	-	(504)
Defined benefit pension liability	-	(1,867)	-	(1,867)
Total net assets	554	(1,589)	9,931	8,896

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	10,160	10,160
Current assets	529	645	16	1,190
Creditors falling due within one year	-	(282)	-	(282)
Defined benefit pension liability	-	(963)	-	(963)
Total net assets	529	(600)	10,176	10,105

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £55,000 were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £430,000 (2018: £484,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and 5.5-12% for employees.

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

Total contributions made	2019	2018
	£000	£000
Employer's contributions	110	113
Employees' contributions	44	44
Total contributions	<u>154</u>	<u>157</u>

Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	<u>1.8</u>	<u>2.8</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22	23.7
- Females	24.8	26.2

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

Sensitivity analysis

Changes in assumptions at 31 August 2019	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	668
0.5% increase in the Pension Increase Rate	12%	579
0.5% increase in the Salary Increase Rate	2%	77

The academy trust's share of the assets in the scheme	2019 Fair value £000	2018 Fair value £000
Equities	2,123	1,958
Bonds	468	461
Cash	281	259
Property	249	202
Total market value of assets	3,121	2,880

The actual return on scheme assets was £140,000 (2018: £146,000).

Amount recognised in the Statement of Financial Activities	2019 £000	2018 £000
Current service cost	228	264
Past service cost	39	-
Interest income	(82)	(67)
Interest cost	111	98
Total operating charge	296	295

AUDENSHAW SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

Changes in the present value of defined benefit obligations	2019	2018
	£000	£000
At 1 September 2018	3,843	3,777
Current service cost	228	264
Interest cost	111	98
Employee contributions	44	44
Actuarial loss/(gain)	776	(289)
Benefits paid	(53)	(51)
Past service cost	39	-
	<u>4,988</u>	<u>3,843</u>

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

	2019	2018
	£000	£000
At 1 September 2018	2,880	2,628
Interest income	82	67
Actuarial gain	58	79
Employer contributions	110	113
Employee contributions	44	44
Benefits paid	(53)	(51)
	<u>3,121</u>	<u>2,880</u>

19 Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(491)	(640)
Adjusted for:		
Capital grants from DfE and other capital income	(108)	(23)
Investment income receivable	(1)	(1)
Defined benefit pension costs less contributions payable	157	151
Defined benefit pension scheme finance cost	29	31
Depreciation of tangible fixed assets	432	541
(Increase) in debtors	(4)	(20)
Increase/(decrease) in creditors	222	(91)
	<u>236</u>	<u>(52)</u>

AUDENSHAW SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	13	13
Amounts due in two and five years	39	52
	<u>52</u>	<u>65</u>

21 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year, other than certain Governors' remuneration already disclosed in note 10.

22 Members' liability

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

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £4,007 and disbursed £4,007 from the fund.

Comparatives for the accounting period ending 31 August 2018 are £7,674 received, £7,674 disbursed.

