

ALEXANDRA ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2016

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

ALEXANDRA ACADEMY TRUST

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ALEXANDRA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr S Hall (Chair) (appointed 1 February 2016) Mr D Malam (Vice chair) (appointed 1 February 2016) Mrs P Simpson (Principal & accounting officer) (appointed 1 February 2016) Mrs G Edwards (appointed 1 February 2016) Mrs A Evans (appointed 1 February 2016) Mr G Fairbairn (appointed 1 February 2016) Mr A Guildford (appointed 1 February 2016) Mr S James (appointed 1 February 2016) Mr N Pierce (appointed 1 February 2016) Mr S Watts (Staff trustee) (appointed 1 February 2016)
Members	Mr J Dhesi Mr S Hall Dr A Heald Mr S James Mr D Terry
Senior management team:	
- Principal	Mrs P Simpson (Accounting officer)
- Vice Principal	Mrs P Turner
- Assistant Vice Principal	Mrs L Kelly
- Assistant Vice Principal	Mrs G Kidman
- KS1 Lead	Miss A Fisher
- KS2 Lead	Mr S Watts
- Business Manager	Mrs K Burgess (Chief financial officer)
Company name	Alexandra Academy Trust
Principal and registered office	Remer Street, Crewe CW1 4LY
Company registration number	09978459 (England and Wales)
Independent auditor	Haines Watts, Bridge House, Ashley Road, Hale, Altrincham WA14 2UT
Bankers	Lloyds Bank, 13 Victoria Street, Crewe CW1 2JQ
Solicitors	Slater & Gordon, 58 Mosley Street, Manchester M2 3HZ

ALEXANDRA ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 February 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates a primary academy for pupils aged 4 to 11 serving a catchment area in Cheshire East. It has a pupil capacity of 420 and had a roll of 401 in the school census on May 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Alexandra Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Alexandra Academy.

Details of the trustees who served during the period are included in the reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omission occurring while on academy trust business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The members of the academy trust shall comprise:-

- The signatories to the memorandum
- The chair of trustees
- Any person appointed under a special resolution

The members agree by passing a special resolution in writing to appoint such additional members as they think fit and may agree by passing a special resolution in writing to remove any such additional members, provided that such appointment or removal is in the interests of the academy trust.

Any new trustee would be appointed based on an assessment of the member's skills set.

Co-opted trustees/directors are nominated and seconded by members of the board. Parent trustees/directors are nominated and seconded by parents/carers. Staff trustees/directors are nominated and seconded by staff members. In both groups, where there are more nominations than vacancies, an election is held.

Policies and procedures adopted for the induction and training of trustees

Trustees have access to a comprehensive training package and receive full induction in accordance with the academy's trustees' induction document.

Organisational structure

The principal is the accounting officer. All members delegate the day to day running of the academy to the board of trustees (with the exception of appointing two members of the board). The board of trustees delegate certain responsibilities to the Behaviour, Safety & Inclusion Committee, Leadership & Management Committee and the Teaching & Progress Committee.

ALEXANDRA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The setting of the pay and remuneration of the academy's key management personnel is completed using the School Teachers' Pay & Conditions Document (STPCD). The pay of key management personnel is benchmarked against local schools and academies and is in line with DfE recommendations.

Related parties and other connected charities and organisations

Monks Coppenhall Academy is currently the only academy within the Alexandra Academy Trust. The academy trust does not have any related parties.

Objectives and activities

Objects and aims

The objects of the academy, as laid down in the articles of association, are to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

At Monks Coppenhall Academy we aim 'To be the best we can in mind, body & spirit'

To this end the activities provide:

- Teaching and learning for all children to ensure they reach their full potential
- Tracking of pupil progress, especially those in receipt of pupil premium and looked after children
- Continued professional development opportunities for all staff along with annual performance management
- Extended school provision including a range of after school activities
- Promoting community cohesion

Public benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

Strategic report

Achievements and performance

Key Stage 2 SATS Results 2016 - Cohort: 53

Subject	School	Progress Measure	Average Scaled Scores	Cheshire East	National
Reading Writing and Maths Combined	43%	N/A	N/A	60%	53%
Met the expected standard in Reading	60%	-2.3	100	70%	66%
Met the expected standard in Writing	60%	-2.4	N/A	63%	74%
Met the expected standard in Spelling, Grammar and Punctuation	74%	No progress measure available	104	75%	72%
Met the expected standard in Maths	58%	-1.7	102	72%	70%

ALEXANDRA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

In 2016, a school will be above the floor if:

- at least 65% of pupils meet the expected standard in English reading, English Writing and Mathematics;
or
- the school achieves sufficient progress scores in **all three** subjects. At least -5 in English Reading, -5 in Mathematics and -7 in English Writing.

To be above the floor, the school needs to meet either the attainment or all of the progress element.

- School A - 61% of pupils meet the 'expected standard', but the school has a progress score of -4.2 in English Reading and -4.5 in English Writing and -3.1 in Mathematics. School B is above the floor.
- School B - 61% of pupils meet the 'expected standard' and the school has a progress score of -4.2 in English Reading and -4.5 in English Writing, but has a progress score of -6.0 in Mathematics. School C is below the floor.

Key performance indicators

Analysis of pupil data and test results confirm that the board of trustees has utilised its financial resources, including the Pupil Premium Grant, to ensure that all children reach their full potential.

Going concern

After making appropriate enquiries, the board of trustees 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.

Financial review

Most of the academy's income is received from the EFA in the form of recurrent grants. During the period ended 31 August 2016, the expenditure of restricted general funds totalling £452,000 was covered by recurrent grant funding from the EFA.

As at 31 August 2016 the value of net current assets was £353,000. The assets were used exclusively for providing education and the associated support services to the children of the academy. Total funds held at the balance sheet date were £2,365,000.

The net movement in funds during the period was £2,365,000.

Reserves policy

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. This will ensure sufficient funds to cover unexpected emergencies and urgent maintenance. The trustees have invested a fixed amount in a higher interest account to enable future building projects.

As at 31 August 2016, the academy had a balance of £2,298,000 in unrestricted reserves and a balance of £67,000 in restricted reserves.

Investment policy

In accordance with our Treasury Management Policy, monies surplus to the working requirements shall be invested in term deposits with Lloyds Bank. The academy will not take out any long term investments until a reliable cash flow pattern has been established, monies will only be paid into term deposits not exceeding 6 months.

ALEXANDRA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Principal risks and uncertainties

A risk register which is maintained at the academy is reviewed at least annually by the Leadership & Management Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate risks. Risks are prioritised using a consistent scoring system.

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.

1. Government funding

The academy has considerable reliance on continued government funding through the EFA. 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:

- By ensuring the academy is rigorous in delivering high quality education and training; and
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the academy's balance sheet in line with the requirements of FRS102.

Plans for future periods

The board of trustees has the following priorities set for future development:

- All weather sports facilities
- Development of Y1 outdoor provision
- Nursery provision

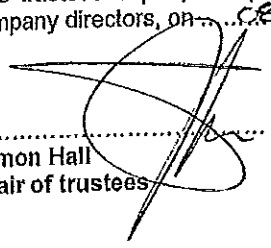
Auditor

Insofar as the trustees are aware:

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

Under Section 487(2) of the Companies Act 2006, Haines Watts will be deemed to have been appointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing accounts with the registrar, whichever is earlier.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21.12.16 and signed on the board's behalf by:


.....
Symon Hall
Chair of trustees

ALEXANDRA ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Alexandra 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 trustees has delegated the day-to-day responsibility to the principal, 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 Alexandra Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met once during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Hall (Chairman)	1	1
D Malam (Vice chair)	1	1
P Simpson (Principal & accounting officer)	1	1
G Edwards	1	1
A Evans	1	1
G Fairbairn	1	1
A Guildford	1	1
S James	0	1
N Pierce	1	1
S Watts	1	1

Governance reviews:

The board of directors/trustees has managed an effective and smooth transition from maintained school to academy trust with little inconvenience to pupils.

Directors/trustees have reviewed the structure of the board and its committees and have established a remit for those committees. The directors/trustees will undertake a self-evaluation at the end of the first year of the academy trust.

The Leadership & Management Committee is a sub-committee of the main board of trustees. Its purpose is to:

- manage the smooth operation of governance on conversion to academy; and
- implement new financial systems and controls.

Trustee	Meetings attended	Out of a possible
S Hall	1	1
D Malam (Chair)	1	1
S James	0	1
P Simpson (Principal & accounting officer)	1	1

Audit

The Alexandra Academy Trust does not have a separate Audit Committee. The board of directors/trustees collectively have the responsibility for audit.

ALEXANDRA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees 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:

- constantly reviewing contracts and supplies to ensure best value
- benchmarking expenditure against similar size local schools/academies
- networking with other school leaders and sharing best practice.

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 Alexandra Academy Trust for the period 1 February 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 February 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Leadership & Management 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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Steve Parker (Haines Watts) as an internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal auditor reports to the board of directors through the Leadership & Management Committee on the operation of the systems of control and on the discharge of the directors' financial responsibilities.

ALEXANDRA ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2016

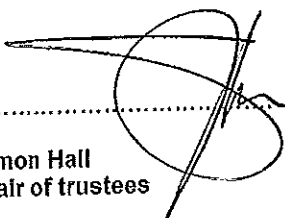
Review of effectiveness

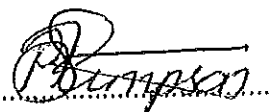
As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Leadership & Management 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 directors on 08/12/16 and signed on its behalf by:


.....
Symon Hall
Chair of trustees


.....
Pamela Simpson
Accounting officer

ALEXANDRA ACADEMY TRUST


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2016

As accounting officer of Alexandra Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



.....
Pamela Simpson
Accounting officer

..8/12/16

ALEXANDRA ACADEMY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees (who also act as governors for Alexandra Academy Trust and are also the directors of Alexandra Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

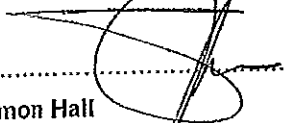
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 28/12/16 and signed on its behalf by:

.....

Symon Hall
Chair of trustees

ALEXANDRA ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ALEXANDRA ACADEMY TRUST

FOR THE PERIOD ENDED 31 AUGUST 2016

We have audited the accounts of Alexandra Academy Trust for the period ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees, who are also the directors of Alexandra Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

ALEXANDRA ACADEMY TRUST

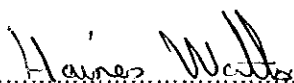
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ALEXANDRA ACADEMY TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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



.....
John Whittick FCA BSc (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 8 December 2016

ALEXANDRA ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALEXANDRA ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 25 May 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alexandra Academy Trust during the period 1 February 2016 to 31 August 2016 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 Alexandra Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Alexandra Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alexandra Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Alexandra Academy Trust's funding agreement with the Secretary of State for Education dated 23 May 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. 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 February 2016 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALEXANDRA ACADEMY TRUST

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

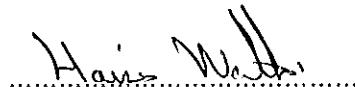
FOR THE PERIOD ENDED 31 AUGUST 2016

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 trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 February 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 8 December 2016

ALEXANDRA ACADEMY TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000
Income and endowments from:					
Donations and capital grants	2	14	-	122	136
Donations - transfer from local authority on conversion	20	64	(599)	2,908	2,373
Charitable activities:					
- Funding for educational operations	3	-	611	-	611
Other trading activities	4	22	-	-	22
Total income and endowments		<u>100</u>	<u>12</u>	<u>3,030</u>	<u>3,142</u>
Expenditure on:					
Raising funds	5	16	-	-	16
Charitable activities:					
- Educational operations	6	17	452	17	486
Total expenditure	5	<u>33</u>	<u>452</u>	<u>17</u>	<u>502</u>
Net income/(expenditure)		67	(440)	3,013	2,640
Transfers between funds		-	122	(122)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	(275)	-	(275)
Net movement in funds		67	(593)	2,891	2,365
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>67</u>	<u>(593)</u>	<u>2,891</u>	<u>2,365</u>

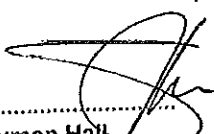
ALEXANDRA ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016	
		£000	£000
Fixed assets			
Tangible assets	10		2,891
Current assets			
Debtors	11	198	
Cash at bank and in hand		246	
		<u>444</u>	
Current liabilities			
Creditors: amounts falling due within one year	12	(91)	
			<u>353</u>
Net current assets			<u>3,244</u>
Net assets excluding pension liability			<u>3,244</u>
Defined benefit pension liability	15		(879)
			<u>2,365</u>
Net assets			<u>2,365</u>
Funds of the academy trust:			
Restricted funds	13		
- Fixed asset funds			2,891
- Restricted income funds			286
- Pension reserve			(879)
			<u>2,298</u>
Total restricted funds			<u>2,298</u>
Unrestricted income funds	13		67
			<u>2,365</u>
Total funds			<u>2,365</u>

The accounts were approved by the board of trustees and authorised for issue on 29/12/16 and are signed on its behalf by:


.....
Symon Hall
Chair of trustees

Company Number: 09978459

ALEXANDRA ACADEMY TRUST
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	2016 £000	£000
Cash flows from operating activities			
Net cash provided by operating activities	16		60
Cash funds transferred on conversion			64
			<u>124</u>
Cash flows from investing activities			
Capital grants from DfE and EFA		2	
Capital funding from sponsors and others		120	
		<u>122</u>	122
Change in cash and cash equivalents in the reporting period			<u>246</u>
Cash and cash equivalents at 1 February 2016			-
Cash and cash equivalents at 31 August 2016			<u><u>246</u></u>

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts have been prepared for the period 1 February 2016 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 trustees 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 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Monks Coppenhall Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in 'Donations – transfer from local authority on conversion' in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 20.

1.4 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 receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.5 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.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

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.

Land	Nil
Buildings	2% straight line
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	20% straight line

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 Leasing and hire purchase commitments

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

1.8 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.

1.9 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

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

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

1.11 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Capital grants	-	122	122
Other donations	14	-	14
	<u>14</u>	<u>122</u>	<u>136</u>

The income from donations and capital grants was £136,000, of which £14,000 was unrestricted and £122,000 was restricted fixed assets.

3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
DfE / EFA grants			
General annual grant (GAG)	-	449	449
Start up grants	-	25	25
Other DfE / EFA grants	-	127	127
	<u>-</u>	<u>601</u>	<u>601</u>
Other government grants			
Local authority grants	-	10	10
	<u>-</u>	<u>10</u>	<u>10</u>
Total funding	<u>-</u>	<u>611</u>	<u>611</u>

The income from funding for educational operations was £611,000, all of which was restricted.

The academy trust received £10,000 of high needs funding from the local authority in the period.

There were no unfulfilled conditions or other contingencies relating to the grants received during the period.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Catering income	4	-	4
Parental contributions	4	-	4
Other income	14	-	14
	<u>22</u>	<u>-</u>	<u>22</u>

The income from other trading activities was £22,000, all of which was unrestricted.

5 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000
Academy's educational operations				
- Direct costs	223	15	7	245
- Allocated support costs	169	10	62	241
	<u>392</u>	<u>25</u>	<u>69</u>	<u>486</u>
Other expenditure				
Raising funds	-	-	16	16
	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Total expenditure	<u>392</u>	<u>25</u>	<u>85</u>	<u>502</u>
Net income/(expenditure) for the period includes:				2016 £000
Fees paid to auditor for audit services				5
Depreciation of tangible fixed assets				17
				<u>22</u>

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

6 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000
Direct costs - educational operations	-	245	245
Support costs - educational operations	17	224	241
	<u>17</u>	<u>469</u>	<u>486</u>
			2016
			£000
Direct costs			
Teaching and educational support staff costs			222
Staff development			1
Depreciation and amortisation			15
Educational supplies and services			7
			<u>245</u>
Support costs			
Support staff costs			169
Depreciation and amortisation			2
Premises costs			13
Other support costs			33
Governance costs			24
			<u>241</u>

The expenditure on educational operations was £486,000, of which £452,000 was restricted, £17,000 was unrestricted and £17,000 was restricted fixed assets.

7 Staff costs

	2016 £000
Wages and salaries	316
Social security costs	26
Operating costs of defined benefit pension schemes	39
	<u>381</u>
Staff costs	381
Supply staff costs	10
Staff development and other staff costs	1
	<u>392</u>
Total staff expenditure	<u>392</u>

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

7 Staff costs

Staff numbers

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

	2016 Number
Teachers	13
Administration and support	37
Management	6
	<hr/>
	56
	<hr/>

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust were £100,415.

8 Trustees' remuneration and expenses

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

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

P Simpson (Principal)
Remuneration £15,000 - £20,000
Employer's pension contributions £0 - £5,000

S Watts (Staff trustee)
Remuneration £10,000 - £15,000
Employer's pension contributions £0 - £5,000

During the period, expenses totalling £45 were reimbursed to 1 trustee.

9 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim. The cost of the insurance up to 31 August 2016 was paid for by the 'old school' prior to conversion, and therefore these financial statements do not include any insurance costs. The Academy has signed up to the DFE Risk Protection Arrangement from 1 September 2016.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 February 2016	-	-	-	-
Transfer on conversion	2,854	23	31	2,908
At 31 August 2016	<u>2,854</u>	<u>23</u>	<u>31</u>	<u>2,908</u>
Depreciation				
At 1 February 2016	-	-	-	-
Charge for the period	11	3	3	17
At 31 August 2016	<u>11</u>	<u>3</u>	<u>3</u>	<u>17</u>
Net book value				
At 31 August 2016	<u>2,843</u>	<u>20</u>	<u>28</u>	<u>2,891</u>

11 Debtors

VAT recoverable	14
Other debtors	11
Prepayments and accrued income	173
	<u>198</u>

12 Creditors: amounts falling due within one year

Trade creditors	20
Other taxation and social security	54
Accruals and deferred income	17
	<u>91</u>

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

13 Funds

	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31 August 2016 £000
Restricted general funds				
General Annual Grant	449	(285)	-	164
Start up grants	25	(25)	-	-
Other DfE / EFA grants	127	(127)	122	122
Other government grants	10	(10)	-	-
	<u>611</u>	<u>(447)</u>	<u>122</u>	<u>286</u>
Funds excluding pensions	611	(447)	122	286
Pension reserve	(599)	(5)	(275)	(879)
	<u>12</u>	<u>(452)</u>	<u>(153)</u>	<u>(593)</u>
Restricted fixed asset funds				
DfE / EFA capital grants	122	-	(122)	-
Inherited funds	2,908	(17)	-	2,891
	<u>3,030</u>	<u>(17)</u>	<u>(122)</u>	<u>2,891</u>
Total restricted funds	<u>3,042</u>	<u>(469)</u>	<u>(275)</u>	<u>2,298</u>
Unrestricted funds				
General funds	100	(33)	-	67
	<u>100</u>	<u>(33)</u>	<u>-</u>	<u>67</u>
Total funds	<u>3,142</u>	<u>(502)</u>	<u>(275)</u>	<u>2,365</u>

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.

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

A transfer has been made between restricted fixed asset funds and restricted general funds to match the income and expenditure.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

14 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,891	2,891
Current assets	158	286	-	444
Creditors falling due within one year	(91)	-	-	(91)
Defined benefit pension liability	-	(879)	-	(879)
	<u>67</u>	<u>(593)</u>	<u>2,891</u>	<u>2,365</u>

15 Pensions 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 Cheshire West and Chester 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 2013.

Contributions amounting to £27,755 were payable to the schemes as at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £27,943.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 26.8% for employers and 5.5-12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 20) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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	2016
	£000
Employer's contributions	33
Employees' contributions	7
	<hr/>
Total contributions	40
	<hr/>

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations

Principal actuarial assumptions	2016 %
Rate of increases in salaries	2.4
Rate of increase for pensions in payment	2.1
Discount rate	2.1

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

Sensitivity analysis Changes in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	146
1 year increase in member life expectancy	3%	36
0.5% increase in the Salary Increase Rate	4%	50
0.5% increase in the Pension Increase Rate	8%	92

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

	2016 Years
Retiring today	
- Males	22.3
- Females	24.5
Retiring in 20 years	
- Males	23.9
- Females	26.5

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

	2016 Fair value £000
Equities	263
Bonds	51
Property	23
Total market value of assets	337
Actual return on scheme assets - gain/(loss)	36

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations

Amounts recognised in the statement of financial activities 2016
£000

Current service cost (net of employee contributions) 33
Net interest cost 5

Changes in the present value of defined benefit obligations 2016
£000

Obligations at 1 February 2016 860
Current service cost 33
Interest cost 7
Employee contributions 7
Actuarial loss 309

At 31 August 2016 1,216

Changes in the fair value of the academy trust's share of scheme assets 2016
£000

Assets at 1 February 2016 261
Interest income 2
Return on plan assets (excluding amounts included in net interest): Actuarial gain 34
Employer contributions 33
Employee contributions 7

At 31 August 2016 337

16 Reconciliation of net income to net cash flows from operating activities

2016
£000

Net income/(expenditure) for the reporting period 2,640

Adjusted for:

Net deficit/(surplus) transferred on conversion (2,373)
Capital grants from DfE/EFA and other capital income (122)
Defined benefit pension net finance cost/(income) 5
Depreciation of tangible fixed assets 17
(Increase)/decrease in debtors (198)
Increase/(decrease) in creditors 91

Net cash provided by operating activities 60

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

17 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £000
Amounts due within one year	5
Amounts due in two and five years	4
	<hr/>
	9
	<hr/>

18 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transaction took place in the period of account.

19 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.

20 Conversion to an academy

On 1 June 2016 Monks Coppenhall Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Alexandra Academy Trust from the Cheshire East Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as a transfer from the local authority on conversion.

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

ALEXANDRA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

20 Conversion to an academy

Net assets transferred:	2016
	£000
Freehold land and buildings	2,854
Other tangible fixed assets	54
Cash	64
LGPS pension surplus/(deficit)	(599)
	<u>2,373</u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£000	£000	£000	£000
Fixed assets funds	-	-	2,908	2,908
LA budget funds	64	-	-	64
LGPS pension funds	-	(599)	-	(599)
	<u>64</u>	<u>(599)</u>	<u>2,908</u>	<u>2,373</u>