

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

Haines Watts

Chartered Accountants & Registered Auditors

Bridge House

157A Ashley Road

Hale

Altrincham

Cheshire

WA14 2UT

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 8
Governance statement	9 – 11
Statement on regularity, propriety and compliance	12
Statement of trustees' responsibilities	13
Independent auditor's report on the accounts	14 – 15
Independent reporting accountant's report on regularity	16 – 17
Statement of financial activities including income and expenditure account	18
Balance sheet	19
Statement of cash flows	20
Notes to the accounts including accounting policies	21 – 38

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Rev Dr A C Cogliolo (Resigned 27 May 2016)
R M Haig
P K Hatchman
M T Lalley
H R Norwood
S Parkinson
B Sharp
D Kavanagh (Resigned 22 November 2016)
M A Kerr
C Dunn (Appointed 6 October 2015)
P C Goodwin
A Lewis
P Ridgway
J Keulemans (Appointed 1 September 2015)
Brother P G Gordon (Appointed 18 March 2016)

Members

The Trustees of the Property held in connection with the English Province
of the Congregation of Christian Brothers
P K Hatchman (Retired 22 September 2016)
P C Goodwin (Appointed 22 September 2016)

Senior management team

- Principal	J M Keulemans (Appointed 1 September 2015)
- Vice Principal	M Arthur
- Assistant Principal	P Ridgway
- Assistant Principal	P Groves (Appointed 1 September 2016)
- Chief Financial Officer	S Parkinson

Company registration number

07827963 (England and Wales)

Registered office

Hale Barns, Altrincham, Cheshire, WA15 0HE

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

National Westminster Bank Plc, 23 Stamford New Road,
Altrincham, WA14 1DB

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR 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 year to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (company number: 07827963) 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 St Ambrose College Edmund Rice Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Ambrose College and is referred to throughout this report as 'the College'. Details of the trustees who served during the year are included in the reference and administrative details on page 1 together with details of the company's registered office address.

Member's liability

The members of the charitable company undertake 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 College maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The College has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or other officers of the College. The limit of the indemnity is £2,000,000.

Method of recruitment and appointment or election of trustees

The company's articles of association provide for the election or appointment of trustees. In summary, the number of trustees shall not be less than three and has no maximum number. Ordinarily, the board of trustees consists of: up to 8 foundation trustees appointed by the chair of the trustees of the property held in connection with the English Province of the Congregation of Christian Brothers; up to 4 parent trustees appointed by parents of registered pupils in the College; up to 2 staff trustees appointed by staff members of the College; and principal ex officio.

A trustees' term of office (excluding the principal) is four years and they may be re-appointed or re-elected for further terms of office.

Policies and procedures adopted for the induction and training of trustees

During the year under review, the full board of trustees met five times and its committees met at least once a term. The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on educational, charity, legal and financial matters. All new trustees are given a tour of the College and the chance to meet with other trustees, staff and pupils. All plans and other documents they will need to undertake their role as trustees are provided. As there are normally very few new trustees, inductions are informal and tailored specifically to the individual. Appropriate training for all trustees is undertaken, as required, through Trafford Services for Education.

Organisational structure

The organisational structure consists of three levels; the trustees, the senior leadership team and the faculty (subject, department and house leaders). The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels. The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the College by the use of budgets and making major decisions about the direction of College expenditure and matters relating to staffing (resourcing, appointing, pay and performance monitoring).

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The senior leadership team comprises the principal, deputy and assistant heads and the chief finance officer. These managers control the College at an executive level, implementing the policies laid-down by the trustees and reporting to them. As a group, the senior leadership team is responsible for the allocation of spending within agreed budgets and the appointment of staff through appointment boards. Some spending control is devolved to members of the faculty (subject, department and house leaders' group). Spending limits exist which require authorisation by the senior leadership team. Individual budget managers include faculty leaders, department leaders (including estates branch and catering branch), subject leaders and house leaders. These managers are responsible for the day-to-day operation of the College, in particular, organising teaching, learning, pastoral and extra-curricular facilities and opportunities.

Arrangements for setting pay and remuneration of key management personnel

The board of trustees have established a Pay Committee with fully delegated authority to develop, implement and administer the pay policy on its behalf. The Pay Committee is responsible for pay determinations in accordance with the pay and appraisal policies on behalf of the board of trustees and reports back on their actions. The Pay Committee consists of three members of the board of trustees, chairs of Finance and Curriculum and General Purposes Committees and includes the principal (the principal is excluded in his own pay decisions).

Related parties and other connected charities and organisations

The Congregation of Christian Brothers owns the freehold of the College land that it currently leases to the College on a 99-year lease at an annual rent of one peppercorn. St Ambrose Parents' Association is a separate body which organises various fund-raising events to enhance facilities for pupils either in St Ambrose Preparatory School (a separate entity), or in the College. The St Ambrose College Charity is a separately registered charity (registration number 526013). Its sole object is the provision of financial grants to the College for the up-keep or development of premises and facilities.

Objectives and activities

Objects and aims

The principal object of the charitable company is the operation of St Ambrose College Edmund Rice Academy Trust to provide education for boys between the ages of 11 and 19.

Objectives, strategies and activities

The charitable company took over the operation of St Ambrose College on the College's conversion to academy status on 1 May 2012. Most of the College's recurrent income is obtained from Education Funding Agency (EFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The main objectives of the College during the year ended 31 August 2016 are summarised below:-

- To ensure that every boy enjoys the same high quality education in terms of resourcing, tuition, welfare and care which accords with the Magisterium of the Roman Catholic Church and the principles of Blessed Edmund Rice and the Congregation of Christian Brothers
- To raise the standard of educational achievements of all boys
- To improve the effectiveness of the College by keeping the curriculum and organisational structure under constant review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curricular requirements
- To provide extra-curricular activities outside the classroom to enhance each boy's personal development
- To conduct the College's business in accordance with the highest standards of integrity, probity and openness

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The College's main vocational strategy is encompassed in the Blessed Edmund Rice Eight Essentials, viz-

- Evangelising the modern world
- Promoting the spiritual in Gospel
- Building a Christian community
- Compassion for those in need
- Concern for the whole person
- Striving for excellence
- Education as a Christian calling
- Education for justice

Public benefit

In setting of the objectives and in planning the activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the charitable company's aims are demonstrably to the public benefit.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The College carries out informal discussions for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees. The College has implemented a number of detailed policies in relation to all aspects of personnel matters. The College has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The College aims to establish equal opportunity in all areas of its activities including creating a working and learning environment in which the contribution and needs of all people are fully valued.

Disabled persons

There is wheelchair access to all areas throughout the College including lifts to all floors, refuge points on fire escapes and specific washroom facilities (including an alert mechanism for those in peril). The policy of the College is to support recruitment and retention of employees with disabilities. The College does this by adapting the physical environment by making support resources available and through training and career development.

Strategic report

Achievements and performance

GCSE students achieved the College's best ever progress figures, the Government's new preferred indices for school attainment. 97.5% of pupils obtained passes between A* to C with an incredible 22 pupils gaining 10 straight A* or A grades.

The trustees were delighted to learn that the 2016 A Level examination results were an improvement on the previous year. Nearly 69% of all grades were at A* to B, with a 100% pass rate and the vast majority of students now able to go up to their chosen university to study their preferred courses.

This is very encouraging for both staff and pupils, especially those pupils continuing their education at the College towards A levels.

In September 2015, the trustees welcomed a new principal with the appointment of James Keulemans formerly of Our Lady's RC High School in Blackley.

952 pupils enrolled at the start of the academic year, with over 150 boys accepting places in year 1. In addition, 212 pupils entered in the upper and lower sixth form reflecting the increased popularity of the College with its new facilities.

The sports induction for Y6 students, which takes place over 4 weekends after Easter, continues to be very successful with pupils and parents.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Sport

The success of all rugby teams this school year has been outstanding. The Under 16 team started a procession of victories winning the Peter Whiting Tens in September 2015. The Under 15 team progressed in the NatWest Cup reaching the Quarter Finals where they lost to eventual winners Sedbergh.

The Under 12 enjoyed an excellent year returning their first win in school colours at the Audenshaw Sevens. Under 14 and Under 13 sides reached their own respective County Cup Finals. The Under 16s completed a hat trick of finals reached defeating Wilmslow in their Semi Final. They defeated Wirral G.S. in a very close final at Chester completing a hat trick of successes this year.

Eight coach loads of spectators travelled to Twickenham to experience the highlight of our 2015/16 season watching our Senior XV compete in the final of the NatWest Vase. A semi-final victory against Pangbourne School set up a final against Northampton Boys G.S. The side fell just short of victory, but experienced a once in a lifetime moment which was celebrated as a community.

In football, the 4 senior sides have recorded excellent results in a full fixture list. In swimming, College sides have won all galas bar one, a draw against Audenshaw spoiling the 100% record. In water polo, our seniors reached the semi-final of the national schools cup and the Under 15 side finished 3rd in their Plate Final.

In Cross Country Championships, the College sides continued to dominate Trafford Schools' events and the Under 15 side progressed to the English Schools Final as Manchester's sole representative. In athletics, the Under 15 side reached the B final of the Northern Regional Championship.

In hockey, we have entered the County Cup for the first time at Under 14 age group and propose with links to Timperley Hockey Club to expand this to two teams next year adding an Under 16 side to our programme.

In badminton and table tennis championships all sides finished runners up in their respective age groups and House championships in both sports have proved popular.

In cricket, all sides achieved success in their local fixtures and the College hosted the annual MCC fixture on 14 June at Hale Barns Cricket Club.

Extracurricular activities

There are many extracurricular activities in which to take part e.g. biology society, chess club, music, debating society, film, languages, cookery and much more to suit all needs. There are over 35 lunchtime and after school clubs and societies for the pupils continue to strive with new clubs every year in which pupils are encouraged to take part.

Productions

Music plays a prominent part in College activities and in the lives of individual pupils during the year, which includes the Christmas Fair, Carol Service, Speech Night at the Bridgewater Hall, Manchester, Christmas parties for the local aging community, Summer Fair and music tour. The school production, Lord of the Flies, was a great success this year.

The school hosted a production of the play 'Hands Up for Jonny Wilkinson's Right Boot', which has been touring the North West to celebrate the upcoming World Rugby U20 Championship 2016. Year 13 student Jonah Rzeskiewicz has been offered a place at RADA for next year; a talented academic with a string of A* and A grades in his GCSEs, Jonah has combined academic study with performances for St Ambrose.

Political

Lord Goddard of Stockport visited the College to speak to sixth form politics students. The leader of Stockport Metropolitan Council, he was at St Ambrose not just to tell the students about the role of the second chamber, but also to listen to their views and report what young people are thinking in the country. In January 2016, the lower sixth boys visited the Houses of Parliament as a guest of Graham Brady MP.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

A group of St Ambrose students and staff undertook a pilgrimage to the battlefields of the Western Front to remember the terrible human cost of the war and to develop their understanding of the history of the conflict. Such was the impact of the experience, the College will organise an annual tour; alternating between the sites of the first and second World Wars.

Spiritual

The College staged their second successful multi-faith conference to bring together the religious community and show the younger generation "we have so much more in common than divides us." The College invited prominent theologians from the Catholic, Anglican, Jewish and Muslim communities to speak to pupils.

The spiritual side of the College has been provided, until recently, by Rev Dr Anthony Cogliolo (a trustee). He has unfortunately retired due to ill health; however, other priests come into the College on a regular basis to say Mass, hear Confessions and lead the pupils upon special days of Christian significance during the year. The Blessed Sacrament is now present in the College Chapel.

The Catholic spirit of the College was awarded as 'outstanding' under the Section 48 Ofsted inspection. The boys continue to take part in weekly spiritual discussion groups and trips e.g. the 1st year trip to Castlerigg (a Catholic retreat). The annual trip to Normandy also continues to be a spiritual, bonding and invaluable experience for the new, year 1 students.

The Edmund Rice International (ERI) Group continues to flourish, reflecting the vision of Blessed Edmund Rice who said: "Were we to know the merit and value of only going from one street to another to serve a neighbour for the love of God, we should prize it more than silver and gold". Mr Krause runs the ERI Group at St Ambrose College and it meets once a week. The ERI Group at St Ambrose coordinated this year's Lenten Food Bank Appeal for the Wythenshawe Food Hub, which yielded a huge amount of food. This year the ERI Group was blessed with a visit from Brother Albert Gomez, from Sierra Leone. He was very impressed with the College's facilities and was pleased to visit and venerate the newly installed Relic of Blessed Edmund Rice. Mr Krause and two members of the ERI Group spoke at the annual Edmund Rice Induction Day for staff new to the Edmund Rice family of schools; the day involved raising awareness of the Founder's life and the essentials of what makes an Edmund Rice education in our schools today.

Staff

Much of a school's achievement depends upon and is a credit to its staff; St Ambrose has been very fortunate in that respect. There are many long-standing members of staff still working at the College and we have been able to attract good staff members to replace those who leave. Loyalty is a prime feature of staff commitment who donate and volunteer their time and skills regularly with extra-curricular clubs throughout the year. We thank also the support staff for their communication and organisational skills on behalf of the College.

We are blessed to have the additional support of our committees. The Parents' Association, the Old Boys Association and Sports Committee, all of whom have worked tirelessly for the College throughout the year to raise funds. Unfortunately, not all news and achievements can fit into this short report. Taking all things into account, the College has had an excellent year in relation to exam results, sports achievements, Catholic faith and social interaction.

We pray that St Ambrose College continues to flourish and grow for the years to come.

Key performance indicators

The trustees consider that the following are key performance indicators for the College:

- percentage of income received from the EFA spent on teaching staff;
 - percentage of income received from the EFA spent on total staff costs;
 - pupil numbers (current on roll, numbers sitting the entrance examination and anticipated new academic year intake);
 - pictorial analysis of income spent against main sectors (staffing, curricular provisions, support provisions, occupational estates costs);
 - number of months grant income coverage held in cash at bank; and
 - general financial stability (in that future income matches anticipated expenditure).
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ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the College 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

During the year ended 31 August 2016, excluding the fixed asset fund, the resources expended of £5,209,00 were more than matched by £5,246,000 total incoming resources. There was a surplus of £37,000. At 31 August 2016, the net book value of fixed assets was £25,885,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the year, assets were used exclusively for providing education and the associated support services to the pupils of the College.

Reserves policy

The trustees review the reserve levels of the College annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies for example, such as repairs following a catastrophic failure in a building management system. The College held funds balances at 31 August 2016 of £26,246,000. These funds comprise restricted fixed asset funds of £25,885,000 and other funds of £971,000. There is also a Local Government Pension Scheme reserve deficit of £610,000. Employer contributions are reviewed in consultation with the Local Government Pension Scheme's administrators. A fund valuation is conducted annually which is used to decide future employer contribution rates.

Investment policy

Apart from the cash held for the operation of the College, St Ambrose College Edmund Rice Academy Trust has no realisable investments. With respect to its cash holdings, the board of trustees has adopted a low risk strategy. In addition to the main current account, the College maintains an instant access deposit account. Suitable sweeping and switching procedures are in place at the College's bankers to ensure that adequate funds are available in the current account whilst maintaining a balance in the interest-paying deposit account as high as possible.

Principal risks and uncertainties

The main College risk exposure is summarised below. For each of these risks the probability, impacts and seriousness are considered, together with appropriate action and avoidance.

Strategic and reputation: this covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for College service, such as competition from other schools with similar objectives and little scope for differentiation. This also includes the capacity of existing buildings, facilities and resources to deliver teaching and learning to pupils.

Financial risk: the risk of the College not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years (in staff costs, provisions and estates maintenance). Furthermore, in connection with the deficit in the Local Government Pension Scheme, the trustees are comfortable with the current (and predicted) level of employer contributions the College is (or will be) required to pay.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Risk management

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

Financial and risk management objectives and policies

The College uses various financial instruments including cash and various items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the College's operations.

Liquidity risk: the College manages its cash resources including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

Interest rate risk: the College earns interest on cash deposits and with interest rates currently low, the trustees will take appropriate action to ensure they maximise the income from these deposits.

Credit risk: this is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Plans for future periods

Leaders and managers will provide a clear direction for transformational change and improvement such as: increasing pupil numbers, developing a range of external partnerships with Edmund Rice, local schools, teaching schools, the Diocese and Trafford Council; and, reviewing and developing a role in external support, preparing for future arrangements where partnership/trust working may develop.

Funds held as custodian trustee on behalf of others

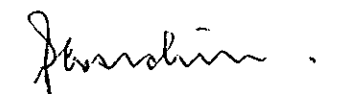
During the year to 31 August 2016, St Ambrose College Edmund Rice Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Auditor

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2016, and signed on the board's behalf by:



.....
P C Goodwin
Chair of trustees

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees and governors, we acknowledge we have overall responsibility for ensuring that St Ambrose College Edmund Rice 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 St Ambrose College Edmund Rice Academy Trust and the Secretary of State for Education. He is 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 trustees' responsibilities statement. The board of trustees has formally met thrice during the year.

Attendance during the year at meetings of the board of trustees was as follows:

	Trustee meetings attended	Out of a possible
Rev Dr A C Cogliolo	3	3
R M Haig [Vice chair]	4	4
P K Hatchman [Chair]	4	4
M T Lalley	4	4
H R Norwood	1	4
S Parkinson	4	4
B Sharp	3	4
D Kavanagh	3	4
M A Kerr	4	4
C Dunn	3	3
P Goodwin	4	4
A Lewis	4	4
P Ridgway	4	4
J Keulemans [Principal]	4	4
Brother P G Gordon	1	1

The finance committee is an executive committee of the main board of trustees. Its purpose is to consider and recommend the College's budget, contribute to the development plan, monitor and review expenditure, financial procedures and service level agreements as well as any issues relating to the building and environment of the College. Attendance at meetings in the year was as follows:

	Finance meetings attended	Out of a possible
R M Haig [Vice chair]	2	3
P K Hatchman [Chair]	3	3
S Parkinson	3	3
B Sharp	1	1
A Lewis	2	3
P Ridgway	3	3
J Keulemans [Principal]	3	3

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

As accounting officer, the principal has responsibility for ensuring that St Ambrose College Edmund Rice 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 tax-payer resources received.

The accounting officer considers how St Ambrose College Edmund Rice Academy 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 bench-marking data where available.

The accounting officer for St Ambrose College Edmund Rice Academy Trust has delivered improved value for money during the year by, for example:

- setting a staff structure that maximises efficiencies to be had in delivering programmes of study;
- using over two years' new and practical experience of being in the newbuilding to 'fine-tune' various premises-related parameters (better efficiencies achieved in the technical operation of the combined heat plant,
- re-negotiating several agreements with building support contractors, energy providers and insurance brokers).

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 College 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 St Ambrose College Edmund Rice Academy Trust for the year 1 September 2015 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 College 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 ongoing process for identifying, evaluating and managing the College's significant risks and that this process has been in place for the year 1 September 2015 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 College's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 HCSS Education Internal Audit Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the College's financial systems. On a quarterly basis, the internal auditor reports to the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular, the checks carried out in the current period included testing of payroll systems, testing of purchase systems and testing of financial controls systems such as bank reconciliations.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

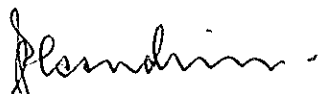
Review of effectiveness

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:

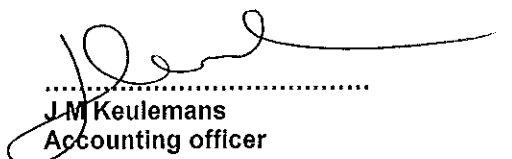
- the work of the internal auditor;
- the work of the external statutory auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of his review of the system of internal control by the responsible officer and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2016 and signed on its behalf by:



.....
P C Goodwin
Chair of trustees



.....
J M Keulemans
Accounting officer

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

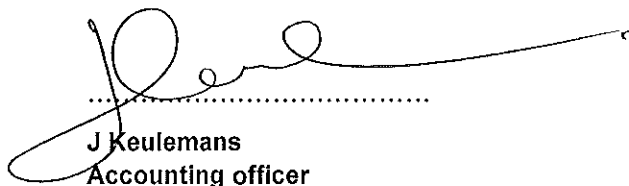
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of St Ambrose College Edmund Rice 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.



.....
J Keulemans
Accounting officer

2 December 2016

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for St Ambrose College Edmund Rice Academy Trust and are also the directors of St Ambrose College Edmund Rice 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:

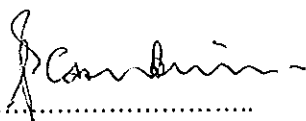
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 2 December 2016 and signed on its behalf by:


.....

P C Goodwin
Chair of trustees

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the accounts of St Ambrose College Edmund Rice Academy Trust for the year 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 13 the trustees, who are also the directors of St Ambrose College Edmund Rice 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 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 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 year for which the accounts are prepared is consistent with the accounts.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

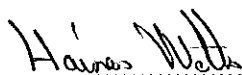
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST (CONTINUED)

FOR THE YEAR 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 BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor


Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 6 June 2014 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 St Ambrose College Edmund Rice Academy Trust during the period 1 September 2015 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 St Ambrose College Edmund Rice 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 St Ambrose College Edmund Rice 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 St Ambrose College Edmund Rice Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Ambrose College Edmund Rice Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Ambrose College Edmund Rice Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 September 2015 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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

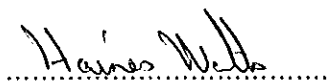
FOR THE YEAR ENDED 31 AUGUST 2016

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

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 2015 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: 

ST AMBROSE COLLEGE EDMUND RICE 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 2016

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2016 £(000)	Total 2015 £(000)
Income and endowments from:						
Donations and capital grants	2	18	-	43	61	20
Charitable activities:						
- Funding for educational operations	3	-	4,236	-	4,236	4,413
Other trading activities	4	987	-	-	987	651
Investments	5	5	-	-	5	6
Total income and endowments		<u>1,010</u>	<u>4,236</u>	<u>43</u>	<u>5,289</u>	<u>5,090</u>
Expenditure on:						
Raising funds	6	22	-	-	22	30
Charitable activities:						
- Educational operations	7	-	5,187	618	5,805	6,232
Total expenditure	6	<u>22</u>	<u>5,187</u>	<u>618</u>	<u>5,827</u>	<u>6,262</u>
Net income/(expenditure)		988	(951)	(575)	(538)	(1,172)
Transfers between funds		(1,160)	1,189	(29)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(364)	-	(364)	8
Net movement in funds		(172)	(126)	(604)	(902)	(1,164)
Reconciliation of funds						
Total funds brought forward		<u>1,112</u>	<u>(453)</u>	<u>26,489</u>	<u>27,148</u>	<u>28,312</u>
Total funds carried forward		<u>940</u>	<u>(579)</u>	<u>25,885</u>	<u>26,246</u>	<u>27,148</u>

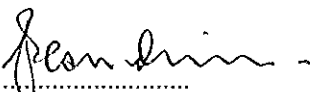
ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£(000)	£(000)
Fixed assets			
Tangible assets	11	25,885	26,489
Current assets			
Debtors	12	210	444
Cash at bank and in hand		1,033	1,150
		1,243	1,594
Current liabilities			
Creditors: amounts falling due within one year	13	(272)	(482)
Net current assets		971	1,112
Total assets less current liabilities		26,856	27,601
Creditors: amounts falling due after more than one year	14	-	(248)
Net assets excluding pension liability		26,856	27,353
Defined benefit pension liability	18	(610)	(205)
Net assets		26,246	27,148
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		25,885	26,489
- Restricted income funds		31	-
- Pension reserve		(610)	(453)
Total restricted funds		25,306	26,036
Unrestricted income funds	16	940	1,112
Total funds		26,246	27,148

The accounts were approved by the board of trustees and authorised for issue on 2 December 2016 and are signed on its behalf by:


 P C Goodwin
 Chair of trustees

Company Number 07827963

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £(000)	2015 £(000)
Cash flows from operating activities			
Net cash used in operating activities	19	(161)	(159)
Cash flows from investing activities			
Dividends, interest and rents from investments		5	6
Capital grants from DfE and EFA		43	20
Payments to acquire tangible fixed assets		(14)	(10)
Proceeds from sales of tangible fixed assets		10	-
		<u>44</u>	<u>16</u>
Change in cash and cash equivalents in the reporting period		(117)	(143)
Cash and cash equivalents at 1 September 2015		<u>1,150</u>	<u>1,293</u>
Cash and cash equivalents at 31 August 2016		<u><u>1,033</u></u>	<u><u>1,150</u></u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR 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.

St Ambrose College Edmund Rice Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of St Ambrose College Edmund Rice Academy Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

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 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.

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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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.

1.4 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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £2,500 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Buildings	2% straight line
Plant & machinery	10% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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 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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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. As stated in note 18, 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.

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 the Education Funding Agency, the Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

1.11 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

1.12 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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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 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.

2 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Capital grants	-	43	43	20
Other donations	18	-	18	-
	<u>18</u>	<u>43</u>	<u>61</u>	<u>20</u>

The income from donations and capital grants was £61,000 (2015: £20,000) of which £18,000 was unrestricted (2015: £nil) and £43,000 was restricted fixed assets (2015: £20,000).

3 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
DfE / EFA grants				
General annual grant (GAG)	-	4,200	4,200	4,366
Other DfE / EFA grants	-	36	36	37
	<u>-</u>	<u>4,236</u>	<u>4,236</u>	<u>4,403</u>
Other government grants				
Local authority grants	-	-	-	10
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total funding	<u>-</u>	<u>4,236</u>	<u>4,236</u>	<u>4,413</u>

The income from funding for educational operations was £4,236,000 (2015: £4,413,000) of which £4,236,000 was restricted (2015: £4,413,000).

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Catering income	321	-	321	296
Other income	666	-	666	355
	<u>987</u>	<u>-</u>	<u>987</u>	<u>651</u>

The income from other trading activities was £987,000 (2015: £651,000) of which £987,000 was unrestricted (2015: £651,000).

5 Investment Income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Short term deposits	<u>5</u>	<u>-</u>	<u>5</u>	<u>6</u>

The income from funding for investment income was £5,000 (2015: £6,000) of which £5,000 was unrestricted (2015: £6,000).

6 Expenditure

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2016 £(000)	Total 2015 £(000)
Academy's educational operations					
- Direct costs	2,847	556	855	4,258	4,546
- Allocated support costs	<u>303</u>	<u>245</u>	<u>999</u>	<u>1,547</u>	<u>1,686</u>
	<u>3,150</u>	<u>801</u>	<u>1,854</u>	<u>5,805</u>	<u>6,232</u>
Other expenditure					
Raising funds	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>	<u>30</u>
Total expenditure	<u>3,150</u>	<u>801</u>	<u>1,876</u>	<u>5,827</u>	<u>6,262</u>

The expenditure on raising funds was £22,000 (2015: £30,000) of which £22,000 was unrestricted (2015: £30,000).

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure		
Net income/(expenditure) for the year includes:	2016	2015
	£(000)	£(000)
Fees payable to auditor for:		
- Audit	10	9
- Other services	3	1
Operating lease rentals	46	43
Depreciation of tangible fixed assets	618	1,125
Gain on disposal of fixed assets	(10)	-
	<u> </u>	<u> </u>
7 Charitable activities		
	2016	2015
	£(000)	£(000)
All from restricted funds:		
Direct costs - educational operations	4,258	4,546
Support costs - educational operations	1,547	1,686
	<u> </u>	<u> </u>
	5,805	6,232
	<u> </u>	<u> </u>
The expenditure on educational operations was £5,805,000 (2015: £6,232,000) of which £5,187,000 was restricted (2015: £5,107,000) and £618,000 was restricted fixed assets (2015: £1,125,000).		
Analysis of costs	2016	2015
	£(000)	£(000)
Direct costs		
Teaching and educational support staff costs	2,847	2,903
Depreciation and amortisation	556	1,013
Educational supplies and services	698	504
Examination fees	103	96
Other direct costs	54	30
	<u> </u>	<u> </u>
	4,258	4,546
	<u> </u>	<u> </u>
Support costs		
Support staff costs	303	439
Depreciation and amortisation	62	112
Technology costs	150	120
Recruitment and support	15	14
Maintenance of premises and equipment	183	161
Cleaning	151	151
Energy costs	148	185
Rent and rates	160	153
Insurance	40	41
Security and transport	4	2
Catering	183	175
Interest on pension deficit	8	7
Other support costs	86	70
Governance costs	54	56
	<u> </u>	<u> </u>
	1,547	1,686
	<u> </u>	<u> </u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016 £(000)	2015 £(000)
Wages and salaries	2,388	2,545
Social security costs	228	205
Operating costs of defined benefit pension schemes	445	414
Staff costs	3,061	3,164
Staff development and other staff costs	89	178
Total staff expenditure	3,150	3,342

Staff numbers

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

	2016 Number	2015 Number
Teachers	55	51
Administration and support	35	34
Management	4	7
	94	92

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

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 was £342,683 (2015: £499,855).

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £nil (2015: £4,200) were reimbursed to trustees (2015: 6 trustees).

The value of trustees' remuneration was as follows:

J Keulemans (principal and trustee):

Remuneration: £80,001 - £85,000 (2015: £nil)

Employer's pension contributions: £10,001 - £15,000 (2015: £nil)

S Parkinson (staff trustee):

Remuneration: £65,001 - £70,000 (2015: £60,001 - £65,000)

Employer's pension contributions: £10,001 - £15,000 (2015: £10,001 - £15,000)

P Ridgway (staff trustee):

Remuneration: £55,001 - £60,000 (2015: £15,001 - £20,000)

Employer's pension contributions: £5,001 - £10,000 (2015: £1 - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

10 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 £2,000,000 on any one claim. The cost of the policy cannot be split as it is part of a combined insurance policy.

The cost of this insurance is included in the total insurance cost.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Buildings	Plant & machinery	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Cost						
At 1 September 2015	27,578	6	1,418	1,075	35	30,112
Additions	-	-	-	14	-	14
Disposals	-	-	(26)	-	-	(26)
At 31 August 2016	27,578	6	1,392	1,089	35	30,100
Depreciation						
At 1 September 2015	1,536	4	1,414	647	22	3,623
On disposals	-	-	(26)	-	-	(26)
Charge for the year	500	1	3	111	3	618
At 31 August 2016	2,036	5	1,391	758	25	4,215
Net book value						
At 31 August 2016	25,542	1	1	331	10	25,885
At 31 August 2015	26,042	2	4	428	13	26,489

Buildings to the value of £27,520,000 are included in fixed assets at depreciated replacement cost following a professional valuation on 30 October 2012 by FHP. The total land value included is £2,492,500 and is not depreciated.

12 Debtors

	2016 £(000)	2015 £(000)
Trade debtors	3	8
VAT recoverable	40	57
Other debtors	1	15
Prepayments and accrued income	166	364
	210	444

13 Creditors: amounts falling due within one year

	2016 £(000)	2015 £(000)
Other creditors	2	-
Accruals and deferred income	270	482
	272	482

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Creditors: amounts falling due after more than one year	2016	2015
		£(000)	£(000)
	Other creditors	<u>-</u>	<u>248</u>

A provision was made in previous years to meet a deficit that had arisen in the Christian Brothers Employee Benefits Scheme (a pension arrangement for support staff). Admission into this scheme for new members of support staff was stopped in 2002. The deficit has now been wholly reassigned to the scheme's Principal Employer, the Christian Brothers.

15	Deferred income	2016	2015
		£(000)	£(000)
	Deferred income is included within:		
	Creditors due within one year	<u>226</u>	<u>418</u>
	Deferred income at 1 September 2015	418	268
	Released from previous years	(418)	(268)
	Amounts deferred in the year	<u>226</u>	<u>418</u>
	Deferred income at 31 August 2016	<u>226</u>	<u>418</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Trips income taken in advance - £221,000
- Dinner card holdings received in advance - £5,000

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£(000)	£(000)	£(000)	£(000)	£(000)
Restricted general funds					
General Annual Grant	-	4,200	(5,115)	946	31
Other DfE / EFA grants	-	36	(31)	(5)	-
Christian Brothers Employee Benefit Scheme	(248)	-	-	248	-
	<u>(248)</u>	<u>-</u>	<u>-</u>	<u>248</u>	<u>-</u>
Funds excluding pensions	(248)	4,236	(5,146)	1,189	31
Pension reserve	(205)	-	(41)	(364)	(610)
	<u>(453)</u>	<u>4,236</u>	<u>(5,187)</u>	<u>825</u>	<u>(579)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	43	-	(29)	14
Inherited funds	26,489	-	(618)	-	25,871
	<u>26,489</u>	<u>43</u>	<u>(618)</u>	<u>(29)</u>	<u>25,885</u>
Total restricted funds	<u>26,036</u>	<u>4,279</u>	<u>(5,805)</u>	<u>796</u>	<u>25,306</u>
Unrestricted funds					
General funds	<u>1,112</u>	<u>1,010</u>	<u>(22)</u>	<u>(1,160)</u>	<u>940</u>
Total funds	<u>27,148</u>	<u>5,289</u>	<u>(5,827)</u>	<u>(364)</u>	<u>26,246</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 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.

The transfer from unrestricted funds includes £946,000 to restricted general funds to cover a shortfall of incoming resources. The transfer from restricted fixed asset funds includes £31,000 Devolved Capital Formulae Grant unspent in the year.

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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 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	-	-	25,885	25,885
Current assets	940	303	-	1,243
Creditors falling due within one year	-	(272)	-	(272)
Defined benefit pension liability	-	(610)	-	(610)
	<u>940</u>	<u>(579)</u>	<u>25,885</u>	<u>26,246</u>

18 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 Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 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 pension costs paid to the TPS in the period amounted to £324,000 (2015: £278,000).

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 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 18.1 per cent for employers and 5.5-12 per cent for employees. The estimated value of employer contributions for the forthcoming year is £87,000.

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)	2015 £(000)
Employer's contributions	87	79
Employees' contributions	31	27
Total contributions	118	106
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

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

Sensitivity analysis

Change in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	16%	294
1 year increase in member life expectancy	3%	54
0.5% increase in the salary increase rate	6%	113
0.5% increase in the pension increase rate	10%	171

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

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

	2016 Fair value £(000)	2015 Fair value £(000)
Equities	858	638
Bonds	202	159
Property	72	53
Other assets	60	35
Total market value of assets	1,192	885
Actual return on scheme assets - gain/(loss)	190	19

Amounts recognised in the statement of financial activities

	2016 £(000)	2015 £(000)
Current service cost (net of employee contributions)	120	113
Net interest cost	8	7

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

	2016 £(000)	2015 £(000)
Obligations at 1 September 2015	1,090	933
Current service cost	120	113
Interest cost	44	37
Employee contributions	31	27
Actuarial gain	518	(19)
Benefits paid	(1)	(1)
At 31 August 2016	<u>1,802</u>	<u>1,090</u>

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

	2016 £(000)	2015 £(000)
Assets at 1 September 2015	885	761
Interest income	36	45
Return on plan assets (excluding amounts included in net interest): Actuarial loss	154	(26)
Employer contributions	87	79
Employee contributions	31	27
Benefits paid	(1)	(1)
At 31 August 2016	<u>1,192</u>	<u>885</u>

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

	2016 £(000)	2015 £(000)
Net expenditure for the reporting period	(538)	(1,172)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(43)	(20)
Investment income	(5)	(7)
Defined benefit pension costs less contributions payable	33	34
Defined benefit pension net finance cost/(income)	8	7
Depreciation of tangible fixed assets	618	1,125
Losses/(profits) on disposals of fixed assets	(10)	-
(Increase)/decrease in debtors	234	(304)
Increase/(decrease) in creditors	(458)	178
Net cash used in operating activities	<u>(161)</u>	<u>(159)</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Commitments under operating leases

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

	2016 £(000)	2015 £(000)
Amounts due within one year	14	8
Amounts due in two and five years	33	35
	<u>47</u>	<u>43</u>

21 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.

During the year, the academy paid £27,600 in rent to the Congregation of Christian Brothers. One of the school trustees is a member of the Congregation.

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 EFA. In the accounting period ending 31 August 2016 the trust received £6,000 and disbursed £4,000 from the fund. At the year end, the undisbursed bursary balance of £2,000 was included in current liabilities.

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

		1 September 2014 £(000)	31 August 2015 £(000)
	Notes		
Funds as reported under previous UK GAAP		28,313	27,148
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	(15)
Change in actuarial loss	1	-	15
Funds reported under FRS 102		<u>28,313</u>	<u>27,148</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

Reconciliation of net loss for the previous financial period

	Notes	2015 £(000)
Net expenditure as reported under previous UK GAAP		(1,164)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(15)
Change in actuarial loss	1	15
Net expenditure reported under FRS 102		<u>(1,164)</u>

Notes to reconciliations on adoption of FRS 102

1. Change in reconciliation of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £15,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.