

**De Aston School, Academy Trust
(A Company Limited by Guarantee)**

Governor's Report and Financial Statements

Year ended 31 August 2013

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Company Registration Number
07533362 (England and Wales)

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

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Reference and Administrative Details

Trustees	<p>The Reverend Canon A J Robson (Chair of Governors) # Mr Michael Davenport (Vice Chair of Governors) # Mr Ivor C Davey # Mr Richard Marshall (Chair of Resources) # Mrs Karin M Smith # Mrs Rosie A de Smit # Miss Sharron Hannay JP (appointed 04/10/12) Mr David M Pattison JP Canon Dr P H Staves (appointed 12/03/13) Mrs Jackie Smith JP (resigned 03/10/12) Rev Michael Cartwright (resigned 10/12/12) Mr Ken Bridger Mrs C Badmin # Mr P Mark Sturgess (appointed 24/09/12) # Mr Stuart Bibby # Mr Robert J Wilson (appointed 24/09/12) Mr Martyn J Fuller (appointed 23/05/13) Mr Sean Dale Mrs Jo Carter (resigned 08/05/13) Mr Graham P Taylor (appointed 16/07/13) Mr Trevor Kendall (resigned 15/07/13) # Mr Paul Williams (appointed 01/09/12) Mr Richard W Foley # Mrs Ellenor Beighton (Headteacher and Accounting Officer) #</p> <p># members of the Resources committee</p>
Secretary	Mr Keith Franklin
Senior management team	<p>Mrs Ellenor Beighton (Headteacher) Mrs Julie Taylor (Deputy Headteacher) Mr Michael Bray (Deputy Headteacher) Mr Simon Porter (Deputy Headteacher) Mrs Jill Galloway (Assistant Headteacher) Mr Stephen Bunney (Assistant Headteacher) Mr Scott Healy (Assistant Headteacher)</p>
Registered Office	<p>De Aston School Willingham Road Market Rasen LN8 3RF</p>
Company Registration Number	07533362
Auditors	Duncan & Topliss
Bankers	Lloyds
Solicitors	Browne Jacobsen

DE ASTON SCHOOL, ACADEMY TRUST

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Governors' Report

The Trustees present their annual report together with the audited financial statements of the academy for the year ended 31 August 2013

Structure, Governance and Management

Constitution

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

The governors act as the trustees for the charitable activities of De Aston School, Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as De Aston School, Academy Trust.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details.

Members' Liability

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

Trustees' Indemnities

A full insurance indemnity is taken out with the Academy's insurance company, each member has cover of £2,000,000. This is reviewed annually to protect against potential risk.

Principal Activities

The Academy Trust main objective is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintain, carrying on, managing and developing a school with a designated Christian faith offering a board and balanced curriculum conducted in accordance with the principles, practices and tenets of the Christian faith both generally and in particular in relation to arranging for religious education and daily acts of worship.

Method of Recruitment and Appointment or Election of Trustees

The Governing Body is made up of one Member Governor, four Foundation Governors, three Staff Governors, six Parent Governors, four Community Governors, one Sponsor Governor (vacant as at 31/08 13), the Head teacher, and up to two Co-opted Governors (currently just one in place).

The Members (E Beighton, R Marshall and A Robson) may appoint up to one Governor (Member Governor).

Two Foundation Governors may be appointed by the Dean and Chapter of the Cathedral Church of Lincoln and two Foundation Governors may be appointed by the Justices of the Peace for the County of Lincoln.

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The Staff Governors shall be elected by staff employed by the Academy. A Staff Governor must have been employed by the Academy for at least one year and hold a permanent contract. The Governing Body makes all necessary arrangements for, and determine all other matters relating to, an election of Staff Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Staff Governors which is contested shall be held by secret ballot.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body makes all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is a person who lives or works in the community served by the Academy, or a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

The Sponsor Governor may be appointed by Lindum Group Ltd.

The Head teacher shall be treated for all purposes as being an ex officio governor.

The Governing Body may appoint up to two Co-opted Governors.

Policies and Procedures Adopted for the Induction and Training of Trustees

At De Aston School, the governing body and Head teacher believe it is essential that all new governors receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment, leading to more effective governance and retention of governors.

We want to make new governors feel welcome to their governing body.

New governors will:

- be welcomed to the governing body by the chair
- be invited by the head teacher to visit the school to experience its atmosphere and understand its ethos
- have the opportunity to tour the school and meet staff and children
- receive an informal briefing on the school from the head teacher to explain the partnership between the head teacher, school and governing body
- have the opportunity to meet informally with an existing governor who will then act as their mentor. They will explain how the governing body and its committees work
- be encouraged to join the committee(s) of their choice
- be accompanied by their mentor to their first full governing body meeting (if required)
- have the opportunity to review their first meeting with the mentor
- be given background material on the school and current issues
- be encouraged to ask questions about their role and/or the school
- be encouraged to access training including Induction training for governors

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New governors will receive and be encouraged to read

- The Department for Education and Skill's "Guide to the Law for Governors"
- School Prospectus
- Ofsted Report and Action Plan (if appropriate in the last 4 years)
- School Improvement Plan
- Last Head teachers report to governing body
- List of staff, responsible areas and job titles (Head of Year etc)
- List of governors' names and responsible areas (committee member etc)
- Map/Plan of the school
- List of School Holidays
- Copy of the minutes of the last two governing body meetings (not the confidential minutes)
- Copy of the school budget
- Copy of the latest school newsletter
- Dates of forthcoming governing body meetings and committees
- School Profile (a side of A4 describing the Schools' current development issues)

Areas that the head teacher will cover include

- Background to the school
- Current issues facing the school
- Visiting the school
- The relationship between the head teacher and governing body

Areas that the mentor will cover include

- An overview of the governor's role
- How the full governing body and committee meetings are conducted
- How to propose agenda items
- Governor training

Organisational Structure

The governing body's role in the Academy is, essentially, a strategic one. Acting on the advice of the Headteacher the Governing Body sets aims and objectives for the school and policies and targets which will achieve these aims and objectives. It also monitors the progress of the school towards the achievement of the aims and objectives, in the light of that progress, review the strategic framework it has established.

To facilitate the working of the Governing Body some of its functions are delegated to committees, the Head teacher and Senior Leadership Team. The committees are School Admissions, Pupil Discipline, Staff Discipline and Dismissal, Staff Discipline and Dismissal Appeal, Formal Complaints, Academic Standards & QA, Resources, Student Welfare & Boarding, Chairs & Vice Chairs, and Pay Group.

The School Admissions Committee is responsible for matters relating to Admission to the Academy. The committee meets as demand requires.

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The Pupil Discipline Committee is responsible for matters relating to permanent exclusions. The committee meets as demand requires.

The Staff Discipline and Dismissal Committee is responsible for matter relating to staff discipline and dismissal. The committee meets as demand requires.

The Staff Discipline and Dismissal Appeal Committee is responsible for matter relating to appeals against the decisions of the Staff Discipline and Dismissal Committee. The committee meets as demand requires.

The Formal Complaints Committee is responsible for resolving any formal complaints received by the Academy. The committee meets as demand requires.

The Academic Standards & QA Committee is responsible for curriculum visits, exam results, INSET training, pupil progress, SEN and Gifted & Talented students, staffing QA reviews, target setting and monitoring, and teaching and learning. The committee meets four times per year.

The Resources Committee is responsible for boarding house income/expenditure, devolved capital, financial standards, performance management, premises issues including health & safety, reviewing the budgets, sport centre management, staff discipline/capability, staffing numbers and vacancies, staff structure, staff welfare, and youth centre management. The committee meets four times per year.

The Student Welfare and Boarding Committee is responsible for attendance, behaviour, boarding improvement plan, boarding standards, extended schools, extra-curricular, every child matters, healthy schools, inter-agency liaison, and complaints. The committee meets three times per year.

The Chairs and Vice Chairs Committee is responsible for community relations, governance, governor training, marketing, Ofsted, strategic boarding, school improvement plan, and school status. The committee meets at least once per year.

The Pay Group is responsible for achieving the aims of the Pay Policy in a fair and equitable manner. The committee meets at least once per year. The committee meets at least once per year.

The Headteacher is responsible for monitoring monthly expenditure, miscellaneous financial decisions, entering into contracts/agreements provided they are under £49,999, appointment of staff, dismissal of staff, suspension of staff (except the Headteacher), establishing and implementing the curriculum policy, standards of teaching, individual children's education, implementing the performance management policies, ensuring all pupils take part in a daily act of collective worship, ensuring that health and safety regulations are followed, ensuring the school meets for 380 sessions in a school year, ensuring that the school lunch nutritional standards are met, school prospectus, ensuring the provision of free school meals for eligible students, additional needs services, ensuring delivery of services provided, and acting as the Academy's Accounting Officer.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy,

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and its finances. This has resulted in a Risk Register which is fully updated every September and monitored on a regular basis during the year.

The governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail below.

Connected Organisations, including Related Party Relationships

The school is connected to a charity - The Spital Charity and the De Aston School Foundation (charity Number 1021793). The Spital Charity and the De Aston School Foundation (short name as agreed with the Charity Commission – The Spital Charity Trustees) owns all the academy land and buildings and leases it to the Academy on a 125 year lease.

Objectives and Activities

Objects and Aims

De Aston School challenges all its students to achieve their personal best, in order that their success in school will prepare them for success in later life.

Our students come to school to

- Be safe, achieve and enjoy being here, following a curriculum that addresses individual needs,
- Make progress towards their social, moral and spiritual potential and so become good citizens of the twenty-first century,
- Develop a commitment to learning which will stay with them throughout life,
- Be equipped to take their place in the worlds of work and education,
- Learn the importance of respecting others, themselves and the environment.

Objectives, Strategies and Activities

The main objectives during the year were

1 Achievement (Academic Standards & QA)

Ensure achievement is securely *outstanding* by

- i Sustaining high achievement and attainment at KS4 on the 5 A* - C measure, including English and Maths
- ii Securing improvements in Science
 - a Ensuring that outcomes for all Science courses offered are consistently good
 - b Ensuring that outcomes from Science courses at KS4, for students from all groups, are consistently good. Key focus areas include girls and more able students
 - c Reduce the gap between those achieving 1 Ebacc Science and those achieving 2
- iii Ensuring all GCSE subjects tackle any identified underperformance on specific grade boundaries

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- iv Maximising the achievement of students against the Ebacc in 2013 (Y2)
- v Improving outcomes in the Sixth Form
- vi At KS4, reducing the gap in achievement between those collecting free school meals in the last 6 years (the 'Ever 6' group) and those who have not
- vii Improving levels of literacy and numeracy at KS3
- viii Creating an excellent careers provision
- ix Ensuring that the new appraisal and capability processes are used effectively to secure high quality teaching

2 Teaching (Academic Standards & QA)

Ensure teaching is securely *outstanding* by

- i Ensuring the quality of teaching and learning at each Key Stage is very good and ensure that routinely no teaching is less than good and that a growing number of lessons are outstanding,
- ii Embedding revised quality-assurance and appraisal procedures, including inter-school partnership work

3 Behaviour, Safety and Attendance (Student Welfare and Boarding)

Ensure behaviour, safety and attendance is securely *outstanding* by

- i Sustaining improvements in adherence to the school dress code
- ii Sustaining improvements in authorised absence figures
- iii Responding to the recommendations of the Boarding review and student surveys
- iv Reasserting the principles that underpin positive, effective behaviour management
- v Sustaining improvements in staff consistency in the application of school behaviour management and rewards systems
- vi Developing an outstanding, systematic anti-bullying programme
- vii Expanding our programme of leadership development activities for students, including a focus on students as co-leaders of learning
- viii Ensuring a decisive response to any reported instances of low level disruption to learning
- ix Reduce the level of girls' absence, including persistent absence

4 Leadership and Management (Resources)

Ensure leadership is securely *outstanding* by

- i Implementing the vision for the VLE as a learning tool and for online reporting
- ii Developing the role individual middle leaders play in whole-school improvement

5 School strategic direction (Chairs and Vice Chairs)

- i Ensuring the primacy of the Leadership of Teaching in the coming year
- ii Securing a greater consistency in response to concerns raised by parents and carers
- iii Developing better lines of communication between boarders' parents and governors
- iv Improving dialogue between staff and governors
- v Securing effective succession planning and governor development generally, in order that the current high standards in governance are maintained

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Other Key Aspects of Leadership and Management for the Coming Year

- 1 Maintaining staff morale at a time of considerable change
- 2 Ensuring Pupil Premium funding is used to the maximum benefit of vulnerable children
- 3 Student recruitment
- 4 Proactively engaging with on-going education reforms, including the widening of the participation age
- 5 Developing Boarding and school accommodation for dual usage
- 6 Continuing to develop the physical appearance of the school
- 7 Updating the school website to ensure better access for key language groups and for persons with disabilities
- 8 Leading the school through a critical financial period
- 9 Reviewing admission arrangements
- 10 Responding to the implications of the conditions survey
- 11 Improving extra-curricular provision

Public Benefit

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*"

The academy's public benefit is enshrined in its charitable objects, which state De Aston School's principal objective is to provide education for students of different abilities between the ages of 11 and 18

Achievements and Performance

- i *Sustaining high achievement and attainment at KS4 on the 5A*-C measure, including English and Maths*

Outcomes have fallen this year, however we are likely to be in line with the national averages with a cohort below national average on entry

- ii *Securing improvements in Science*
 - a *Ensuring that outcomes for all Science courses offered are consistently good*
 - b *Ensuring that outcomes from Science courses at KS4, for students from all groups, are consistently good Key focus areas include girls and more able students*
 - c *Reduce the gap between those achieving 1 Ebacc Science and those achieving 2*

Attainment in Science is down, however the national changes are so extensive that it is hard to comment on progress or achievement, but it may well be better. Certainly no-one could claim that outcomes were consistently good

- iii *Ensuring all GCSE subjects tackle any identified underperformance on specific grade boundaries*

Generally speaking there is much more to do on the C/D borderline

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iv *Maximising the achievement of students against the Ebacc in 2013 (Y2)*

The percentage of students achieving the English Baccalaureate has risen from 11% in 2011, to 19% in 2012 and 31% in 2013. However, the curriculum has changed significantly in order to allow more students to take Ebacc compatible qualifications (71% of the cohort were entered for the Ebacc in 2013 compared to 35% of the cohort in 2011). It is now for the school to decide whether the improvements achieved are commensurate with the impact.

v *Improving outcomes in the Sixth Form*

LAT indicates that progress by the end of KS5 was better. AS is a continuing priority.

vi *At KS4, reducing the gap in achievement between those collecting free school meals in the last 6 years (the 'Ever 6' group) and those who have not*

In many areas the 'Ever 6' group is doing well, however, these students still lag behind their peers in terms of the traditional curriculum. This year the gap on 5 A*-C EM was -34%, last year it was -35%. However it must be remembered that, as a whole, this group was far weaker academically on entry (KS2 average point score for Ever 6 - 25.7, others - 27.8).

vii *Improving levels of literacy and numeracy at KS3*

This is a long term project.

Key Performance Indicators

The main financial indicators the Academy uses to measure performance are the comparison of actual results to budgets set and the overall surplus carried forward. The Academy's main performance indicators are non-financial such as pupil numbers and student intake, exam success, Ofsted reports and success of pupil premium pupils.

Going Concern

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

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Financial Review

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

During the year, the Academy received total funding of £15,744,343 (comprising grants and other liquid funding of £6,017,255 plus assets inherited on conversion that have now been valued and included in these accounts of £9,727,088) compared to total resources expended of £5,762,586 to give a surplus for the year of £9,981,757 (which equates to £254,669 excluding the value of property inherited on conversion but including depreciation thereon).

Taking into account the surplus brought forwards from last year, the academy has £705,828 in accumulated reserves carried forwards plus a further £10,178,649 of fixed asset funds.

The trustees consider an appropriate level of reserves to be in the order of 5% of its income, to insulate the academy in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2013 is considered to be broadly in line with that objective.

Financial and Risk Management Objectives and Policies

As noted previously the Academy has a Risk Management Policy from which a Risk Register is drafted. The financial risks for the Academy are described below.

Principal Risks and Uncertainties

The governors of the Academy are aware of the risks that the Academy faces in the short, medium and long term, the principal risks and uncertainties have been identified following the risk management process.

Principal risks and uncertainties (other than the pension deficit) are

- Pupil numbers
- Uncertainty over the future of pupil sector pay
- New national funding agreement and the long term sustainability of the minimum funding guarantee
- Public sector pensions
- The three year actuary evaluation of the employer's contribution to the local government pension scheme
- If there was a significant drop in boarding places
- The success of the capital building projects
- The heating system being replaced

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Reserves Policy

The Academy holds total reserves (excluding boarding house, fixed asset and pension funds) of £879,122 which consists of £678,580 of restricted funds and £200,542 of non-restricted funds. These are known as the 'school reserves'.

The trustees review the 'school reserve' levels annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 5% of its income, which is approximately £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

A large part of the 'school reserves' for the Academy will be spent with a capital spend of £552,592 in the next financial year (2013/2014). Some of this spend is a crossover in financial years from works not finished over the summer 2013.

The capital projects are

- Improvement to sixth form study/social areas
- Relocation of Pupil Development Centre
- Relocation of Media Studies
- Improvements to Boarding House
- Stained Glass window project to celebrate De Aston School 150th anniversary
- New Heritage / Conference room
- Relocation of Staff room
- Improvements to playgrounds / car parking
- Extensive renewing of internal and external doors
- Replacing damaged oil boilers with gas boilers
- Repairing roofs

It is anticipated that at the end of the next financial year (2013/2014) the 'school reserves' will be approximately £300,000. The Academy will always ensure to stay within the EFA guidelines on levels and appropriate use of reserves.

The Academy also holds £430,706 of Boarding House reserves, which is not included in the previous figures. The Boarding House reserves should always be held above £150,000 to cover any costs associated with a closure of the Boarding House. Free reserves above this level are retained and built up to renew the Boarding minibus every 3 years and for capital purposes in extending and modernising the boarders' accommodation and facilities. In the next financial year (2013/2014) the Boarding House will be purchasing a new minibus and committing £100,000 of its reserves to modernise the accommodation.

Investment Policy

Investments must be made only when approved by the governing body.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase,

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the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

Periodically (at least annually) review interest rates and compare with other investment opportunities. A working balance above £250,000 should be maintained in the main Academy's current account.

The Academies current position is to only invest funds in risk free and easily accessible deposit accounts. Funds can be invested up to 12 months if appropriate. Investing cash over more than a year has to be approved by the Governing body and referenced with detailed cash flow workings.

Plans for Future Periods

1 Achievement (Academic Standards & QA)

Ensure achievement is outstanding by

- i Restoring high achievement at KS4 on the 5A*- C measure, including English and Maths
- ii Securing improvements in Science, by
 - a Ensuring that outcomes for all Science courses offered are consistently good
 - b Ensuring that outcomes from Science courses at KS4, for students from all groups, are consistently good. Key focus areas include girls and more able students (continuing issues in 2013)
 - c Reducing the gap between those achieving 1 Ebacc Science and those achieving 2 (a continuing issue in 2013)
 - d Ensuring that the extensive staffing changes in Science lead to improved teaching and raised standards
- iii Restoring high achievement in English by ensuring changes in examination choices lead to improvements in standards and stability
- iv Ensuring all GCSE subjects tackle any identified underperformance on specific grade boundaries, particularly on the C/D borderline
- v Review the KS4 curriculum to ensure that the Ebacc does not disproportionately impact on achievement
- vi At individual subject level, ensure that the KS3 curriculum better supports the increased demands at KS4
- vii At KS4, further reducing the gap in achievement between those collecting free school meals in the last 6 years (the 'Ever 6' group) and those who have not
- viii Improving levels of literacy and numeracy at KS3
- ix Ensuring that the new appraisal and capability processes are used effectively to secure high quality teaching
- x Improving outcomes in the Sixth Form, especially progress from KS4 to AS
- xi Developing the Sixth Form curriculum to maximise achievement and income
- xii Ensuring assessment accurately reflects national standards and is used to secure pupil progress

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2 Teaching (Academic Standards & QA)

Ensure teaching is outstanding by

- i Ensuring that the quality of teaching and learning at each Key Stage is very good and ensure that routinely no teaching is less than good and that a growing number of lessons are outstanding
- ii Ensuring that pace and stretch at KS3, supports high quality learning and outcomes at KS4
- iii Utilising the potential of the Teaching Alliance to raise the standard of teaching

3 Behaviour, Safety and Attendance (Student Welfare and Boarding)

Ensure behaviour, safety and attendance is securely outstanding by

- i Sustaining improvements in adherence to the school dress code
- ii Improving authorised absence figures, with a particular emphasis on improving girls' absence, including their persistent absence
- iii Sustaining improvements in staff consistency in the application of school behaviour management and rewards systems
- iv Embedding an outstanding, systematic anti-bullying programme
- v Expanding our programme of leadership development activities for students, including a focus on students as co-leaders of learning
- vi Ensuring a decisive response to any reported instances of low level disruption to learning

4 Leadership and Management (Resources)

Ensure leadership is securely outstanding by

- i Developing the accountability of middle leaders for school improvement
- ii Re-structuring the substantive leadership team
- iii Commissioning an inspection of our religious character
- iv Ensuring performance-related pay is both effective in raising standards and is fair

5 School strategic direction (Chairs and Vice Chairs)

- i Ensuring the primacy of the Leadership of Teaching in the coming year
- ii Developing better lines of communication between boarders' parents and governors
- iii Securing effective succession planning and governor development generally, in order that the current high standards in governance are maintained

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Other Key Aspects of Leadership and Management for the Coming Year

- 1 Student recruitment
- 2 Proactively engaging with on-going education reforms, including the widening of the participation age
- 3 Ensuring the post of Premises Manager is used to raise standards on the site
- 4 Ensuring we have an effective heating system for next winter
- 5 Completing all current building projects to a high standard
- 6 Establishing a strategic view of the future of on-site leisure and youth provision
- 7 Ensure that the school receives better human resources support
- 8 Developing our outdoor spaces, including a space for reflection
- 9 Going for 'Careers Mark'
- 10 Further developing links with prestigious universities

Funds held as Custodian Trustee on behalf of others

The Academy does not hold such funds

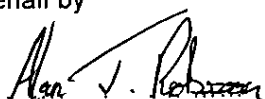
Auditor

Insofar as the trustees are aware

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

The auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting

Approved by order of the members of the Governing Body on 9th December 2013 and signed on its behalf by



Reverend Canon Alan Robson
[Chair]

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Governance Statement

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Head teacher, 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 De Aston School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Name of Governor	Meetings Attended	Out of a Possible	Attendance Percentage
M Davenport	5	5	100%
I C Davey	5	5	100%
A J Robson (Chair)	5	5	100%
E Beighton	5	5	100%
R Marshall	5	5	100%
R A de Smit	5	5	100%
K M Smith	5	5	100%
R Foley	5	5	100%
P Williams	5	5	100%
S Hannay	4	4	100%
P H Staves	2	2	100%
M Cartwright	2	2	100%
T Kendall	5	5	100%
R J Wilson	3	4	75%
J Carter	2	3	67%
D Pattison	3	5	60%
K Bridger	3	5	60%
M Sturgess	2	4	50%
M J Fuller	1	2	50%
C Badmin	2	5	40%
S Bibby	2	5	40%
S Dale	2	5	40%
J Smith	0	1	0%
G Taylor	0	0	N/A

DE ASTON SCHOOL, ACADEMY TRUST

(A company limited by guarantee)

The **Resources Committee** is a sub-committee of the main governing body Its main responsibilities are,

- review of the annual budget,
- the regular monitoring of actual expenditure and income against budget for academy and boarding,
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies,
- authorising orders/contracts over £50,000,
- reviewing and updating of the Premises & ICT plan,
- staffing issues and structures
- reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls These reports must also be reported to the full governing body

Name of Governor	Meetings attended	Out of a Possible	Attendance percentage
I C Davey	4	4	100%
E Beighton	4	4	100%
R Marshall (Chair)	4	4	100%
R A de Smit	4	4	100%
K M Smith	4	4	100%
R Foley	4	4	100%
A J Robson	3	4	75%
S Bibby	3	4	75%
T Kendall	3	4	75%
M Sturgess	2	4	50%
J Carter	2	4	50%
C Badmin	0	4	0%

The Purpose of the System of Internal Control

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

DE ASTON SCHOOL, ACADEMY TRUST

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Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The governors have appointed Mr G Parrish as Responsible Officer ('RO'). However, Mr Parrish resigned from his duties (due to relocation) following the first quarter of this financial year. For the remaining three quarters of the financial year the Academy's auditors Duncan & Toplis provided Mr T Godson, a Partner unconnected with the statutory audit, to perform the duties. From September 2013 a Governor – Mr M Fuller – has been appointed permanent Responsible Officer.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. Although the formal role of a Responsible Officer is no longer a requirement of the EFA Financial Handbook, the Governors at De Aston School have decided to continue with the role. The RO works to the guidelines set in a previous version of the Financial Handbook, but the Resources Committee can also recommend new regular/one off checks additional to the recommended checklist.

There were no material issues for the Governing body to act on from the Responsible Officer's report during the financial year ended 31 August 2013.

DE ASTON SCHOOL, ACADEMY TRUST

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Review of Effectiveness

As accounting officer, the Head teacher 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 Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the governing body on 9 December 2013 and signed on its behalf by


Reverend Canon Alan Robson
[Chair]


Mrs Ellenor Beighton
[Accounting Officer]

DE ASTON SCHOOL, ACADEMY TRUST

(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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



Mrs Ellenor Beighton
[Accounting Officer]

DE ASTON SCHOOL, ACADEMY TRUST

(A company limited by guarantee)

Statement of Trustees' Responsibilities

The trustees (who act as governors of De Aston School, Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 9 December 2013 and signed on its behalf by



Reverend Canon Alan Robson
[Chair]

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DE ASTON SCHOOL, ACADEMY TRUST

We have audited the financial statements of De Aston School, Academy Trust for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

UNQUALIFIED OPINION

In our opinion the financial statements

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DE ASTON SCHOOL, ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



N P Cudmore FCA (Senior statutory auditor)

for and on behalf of

Duncan & Topliss

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN110LJ

Date

13th December 2013

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DE ASTON
SCHOOL, ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by De Aston School, Academy Trust during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**RESPECTIVE RESPONSIBILITIES OF DE ASTON SCHOOL, ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of De Aston School, Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DE ASTON
SCHOOL, ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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



N P Cadmore FCA (Senior Statutory auditor)

for and on behalf of

Duncan & Topliss

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN110LJ

Date

13th December 2013

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Activities for generating funds	2	42,576	-	-	42,576	33,944
Investment income	3	9,520	-	-	9,520	8,258
Incoming resources from charitable activities	4					
Funding for the Academy's educational operations		54,562	5,197,830	-	5,252,392	5,204,170
Provision of boarding activities		712,767	-	-	712,767	733,775
Leasehold property inherited on conversion	5	-	-	9,727,088	9,727,088	-
TOTAL INCOMING RESOURCES		819,425	5,197,830	9,727,088	15,744,343	5,980,147
RESOURCES EXPENDED						
Charitable activities						
Funding for the Academy's educational operations		25,835	4,745,924	275,809	5,047,568	4,924,934
Provision of boarding activities		670,315	-	21,047	691,362	645,179
Governance costs	7	4,200	19,456	-	23,656	26,659
TOTAL RESOURCES EXPENDED	10	700,350	4,765,380	296,856	5,762,586	5,596,772
NET INCOMING RESOURCES BEFORE TRANSFERS		119,075	432,450	9,430,232	9,981,757	383,375

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfers between Funds	20	(27,599)	(607,977)	635,576	-	-
NET INCOME FOR THE YEAR		91,476	(175,527)	10,065,808	9,981,757	383,375
Actuarial gains and losses on defined benefit pension schemes		-	71,000	-	71,000	(175,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		91,476	(104,527)	10,065,808	10,052,757	208,375
<i>Total funds at 1 September 2012</i>		<i>539,772</i>	<i>179,107</i>	<i>112,841</i>	<i>831,720</i>	<i>623,345</i>
TOTAL FUNDS AT 31 AUGUST 2013		631,248	74,580	10,178,649	10,884,477	831,720

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 29 to 51 form part of these financial statements

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER. 07533362

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	17		10,178,649		112,841
CURRENT ASSETS					
Debtors	18	418,334		373,938	
Cash at bank and in hand		1,718,162		1,549,191	
		<u>2,136,496</u>		<u>1,923,129</u>	
CREDITORS amounts falling due within one year	19	(826,668)		(582,250)	
NET CURRENT ASSETS			<u>1,309,828</u>		<u>1,340,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,488,477</u>		<u>1,453,720</u>
Defined benefit pension scheme liability	27		<u>(604,000)</u>		<u>(622,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>10,884,477</u></u>		<u><u>831,720</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	20	678,580		801,107	
Restricted fixed asset funds	20	10,178,649		112,841	
Restricted funds excluding pension liability		<u>10,857,229</u>		<u>913,948</u>	
Pension reserve		<u>(604,000)</u>		<u>(622,000)</u>	
Total restricted funds			<u>10,253,229</u>		<u>291,948</u>
Unrestricted funds (Including £430,706 of Boarding House funds)	20		<u>631,248</u>		<u>539,772</u>
TOTAL FUNDS			<u><u>10,884,477</u></u>		<u><u>831,720</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 9 December 2013 and are signed on their behalf, by



Reverend Canon Alan Robson - Trustee
Chair of Trustees

The notes on pages 29 to 51 form part of these financial statements

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	795,027	465,860
Returns on investments and servicing of finance	23	9,520	8,258
Capital expenditure and financial investment	23	(635,576)	(128,241)
INCREASE IN CASH IN THE YEAR		<u>168,971</u>	<u>345,877</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	<u>168,971</u>	<u>345,877</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>168,971</u>	<u>345,877</u>
Net funds at 1 September 2012	<u>1,549,191</u>	<u>1,203,314</u>
NET FUNDS AT 31 AUGUST 2013	<u>1,718,162</u>	<u>1,549,191</u>

The notes on pages 29 to 51 form part of these financial statements

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

DE ASTON SCHOOL, ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

Boarding house income is received from the boarding of pupils, this is accounted for on an accruals basis as fees for boarding are paid in advance.

The Academy keeps a separate school fund bank account which relates to income and expenditure for school trips. Transactions are not included within these financial statements.

DE ASTON SCHOOL, ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Leasehold Property	-	2% on cost
Motor vehicles	-	25% on cost
Fixtures and fittings	-	10% on cost
Computer equipment	-	33% on cost

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES (continued)

1.7 Taxation

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.9 Leased assets

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

The Academy's buildings are currently leased from Spital Charity and De Aston School Foundation for a 125 year period on a peppercorn rent. The Trustees have not been able to quantify a notional rent to reflect the fair value of the rental involved, therefore no gift in kind or corresponding rent cost is included within these financial statements. However in accordance with Generally Accepted Accounting Practice, the leasehold premises have been valued for the purposes of these accounts on a Depreciated Replacement Cost basis and included in these accounts.

DE ASTON SCHOOL, ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Lettings income	15,524	-	15,524	14,287
Other income	27,052	-	27,052	19,657
	<u>42,576</u>	<u>-</u>	<u>42,576</u>	<u>33,944</u>

3 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Bank account interest	9,520	-	9,520	8,258
	<u>9,520</u>	<u>-</u>	<u>9,520</u>	<u>8,258</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Funding for the Academy's educational operations	54,562	5,197,830	5,252,392	5,204,170
Provision of boarding activities	712,767	-	712,767	733,775
	<u>767,329</u>	<u>5,197,830</u>	<u>5,965,159</u>	<u>5,937,945</u>

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,879,642	4,879,642	4,862,629
Pupil Premium	-	117,366	117,366	49,033
Other DfE/EFA Revenue grants	-	27,596	27,596	42,225
Devolved Formula Capital grant	-	-	-	22,090
Capital Maintenance grant	-	50,000	50,000	-
	-	5,074,604	5,074,604	4,975,977
Other government grants				
SEN 1-1 Funding	-	123,226	123,226	146,847
Other Local Authority revenue grants	54,562	-	54,562	81,346
	54,562	123,226	177,788	228,193
	54,562	5,197,830	5,252,392	5,204,170

5 OTHER INCOMING RESOURCES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfer on conversion	-	9,727,088	9,727,088	-

6 EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Funding for the Academy's educational operations	25,835	5,021,733	5,047,568	4,924,934
Provision of boarding activities	670,315	21,047	691,362	645,179
	696,150	5,042,780	5,738,930	5,570,113

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6 EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Funding for the Academy's educational operations	3,789,875	275,809	981,884	5,047,568	4,924,934
Provision of boarding activities	245,747	21,047	424,568	691,362	645,179
	<u>4,035,622</u>	<u>296,856</u>	<u>1,406,452</u>	<u>5,738,930</u>	<u>5,570,113</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration - audit	-	6,400	6,400	6,400
Auditors' remuneration - non audit costs	4,200	5,013	9,213	11,795
Legal and professional fees	-	4,042	4,042	4,720
Personnel fees	-	4,001	4,001	3,744
	<u>4,200</u>	<u>19,456</u>	<u>23,656</u>	<u>26,659</u>

8 DIRECT COSTS

	Educational operations £	Provision of boarding £	Total 2013 £	Total 2012 £
Educational supplies	112,923	4,797	117,720	134,178
Technology costs	16,805	-	16,805	-
Examination fees	116,044	-	116,044	163,505
Staff Development	12,472	3,356	15,828	25,911
Boarding house meals	-	153,713	153,713	191,947
Other costs	178,796	32,429	211,225	123,770
Wages and salaries	2,806,892	64,847	2,871,739	2,999,284
National insurance	216,010	6,479	222,489	229,808
Pension cost	372,789	8,229	381,018	406,399
Depreciation	275,809	21,047	296,856	25,066
	<u>4,108,540</u>	<u>294,897</u>	<u>4,403,437</u>	<u>4,299,868</u>

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9 SUPPORT COSTS

	Educational operations £	Provision of boarding £	Total 2013 £	Total 2012 £
Net finance cost of LGPS pension scheme (note 15)	15,000	-	15,000	15,000
Technology costs	41,223	-	41,223	43,637
Pupil recruitment and support	4,563	6,416	10,979	20,112
Maintenance of premises and equipment	131,707	140,243	271,950	317,151
Cleaning	101,464	7,572	109,036	118,218
Rent and rates	45,108	7,344	52,452	52,600
Energy costs	106,602	38,599	145,201	110,274
Insurance	43,427	-	43,427	43,966
Security	1,071	10,121	11,192	1,172
Transport	1,987	4,888	6,875	5,457
Telephone, postage and stationery	32,125	1,272	33,397	33,906
Other costs	18,705	5,882	24,587	14,074
Bank interest and charges	581	37	618	262
Operating leases - other	1,281	2,736	4,017	3,339
Bad debts	-	5,163	5,163	9,533
Wages and salaries	312,780	140,582	453,362	400,346
National insurance	19,861	4,983	24,844	22,210
Pension cost	61,543	20,627	82,170	58,988
	<u>939,028</u>	<u>396,465</u>	<u>1,335,493</u>	<u>1,270,245</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Direct costs - Funding for the Academy's educational operations	3,395,691	275,809	437,040	4,108,540	3,955,216
Direct costs - Provision of boarding activities	79,555	21,047	194,295	294,897	344,652
Support costs - Funding for educational operations	394,184	-	544,844	939,028	954,718
Support costs - Provision of boarding	166,192	-	230,273	396,465	300,527
Charitable activities	<u>4,035,622</u>	<u>296,856</u>	<u>1,406,452</u>	<u>5,738,930</u>	<u>5,555,113</u>
Governance	<u>-</u>	<u>-</u>	<u>23,656</u>	<u>23,656</u>	<u>26,659</u>
	<u>4,035,622</u>	<u>296,856</u>	<u>1,430,108</u>	<u>5,762,586</u>	<u>5,581,772</u>

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11 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Funding for the Academy's educational operations	4,108,540	939,028	5,047,568	4,924,934
Provision of boarding activities	294,897	396,465	691,362	645,179
Total	<u>4,403,437</u>	<u>1,335,493</u>	<u>5,738,930</u>	<u>5,570,113</u>

12 NET INCOMING RESOURCES

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the Academy	296,856	25,066
Auditors' remuneration - statutory audit	6,400	6,400
Auditors' remuneration - other regulatory services	<u>9,213</u>	<u>11,795</u>

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13 STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	3,293,812	3,352,747
Social security costs	247,333	252,018
Other pension costs (Note 27)	463,188	465,387
	<u>4,004,333</u>	<u>4,070,152</u>
Supply teacher costs	14,849	4,742
Compensation payments	16,440	42,141
	<u><u>4,035,622</u></u>	<u><u>4,117,035</u></u>

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

	2013 No	2012 No
Teachers	57	61
Admin / Support	51	45
Management	1	1
	<u>109</u>	<u>107</u>

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

	2013 No	2012 No
In the band £60,001 - £70,000	2	2
In the band £100,001 - £110,000	1	1
	<u>3</u>	<u>3</u>

The above employees earning more than £60,000 per annum participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for the members of staff amounted to £31,838

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14 GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2013 £'000	2012 £'000
Mrs E Beighton, Headteacher	100-105	100-105
Mr T Kendall, Staff governor	35-40	40-45
Ms I Wallace, Staff governor		30-35
Mr R Foley, Staff governor	10-15	10-15
Mr P Williams, Staff governor	50-55	
Mr G Taylor, Staff governor	5-10	

During the year, no Governors received any benefits in kind (2012 - £NIL)

During the year ended 31 August 2013, expenses totalling £25 (2012 - £100) were reimbursed to 1 Governor (2012 - 2)

The above table shows only the remuneration paid to individuals during their tenure as Governors

15 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £920 (2012 - £920)

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

16 OTHER FINANCE INCOME

	2013 £	2012 £
Expected return on pension scheme assets	64,000	64,000
Interest on pension scheme liabilities	(79,000)	(79,000)
	<u>(15,000)</u>	<u>(15,000)</u>

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17 TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 September 2012	-	3,980	88,034	46,166
Additions	9,727,088	-	551,937	83,639
At 31 August 2013	9,727,088	3,980	639,971	129,805
Depreciation				
At 1 September 2012	-	995	8,803	15,541
Charge for the year	194,542	995	58,051	43,268
At 31 August 2013	194,542	1,990	66,854	58,809
Net book value				
At 31 August 2013	9,532,546	1,990	573,117	70,996
At 31 August 2012	-	2,985	79,231	30,625

	Total £
Cost	
At 1 September 2012	138,180
Additions	10,362,664
At 31 August 2013	10,500,844
Depreciation	
At 1 September 2012	25,339
Charge for the year	296,856
At 31 August 2013	322,195
Net book value	
At 31 August 2013	10,178,649
At 31 August 2012	112,841

Long leasehold property additions comprise the value of the Academy's land and buildings that are leased from the Spital Charity and De Aston School Foundation under a 125-year lease

The valuation as at 31 August 2012 was professionally undertaken on 19 September 2012 by Drivers Jonas Deloitte. The valuation methodology was fair value on the assumption of continuation of existing use on the Depreciated Replacement Cost basis.

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18 DEBTORS

	2013 £	2012 £
Trade debtors	191,677	204,863
Other debtors	201,657	169,075
Grants Receivable	25,000	-
	<u>418,334</u>	<u>373,938</u>

19 CREDITORS

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	424,376	224,647
Other creditors	63,060	106,330
Accruals and deferred income	339,232	251,273
	<u>826,668</u>	<u>582,250</u>

Deferred income

Deferred income at 1 September 2012	289,603
Resources deferred during the year	274,159
Amounts released from previous years	(289,603)
Deferred income at 31 August 2013	<u>274,159</u>

Deferred income comprises advance term fees and deposits in relation to boarding activities

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**NOTES TO THE FINANCIAL STATEMENTS
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20 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Provision of boarding	400,159	728,461	(670,315)	(27,599)	-	430,706
General funds						
Other income not for capital purposes	139,613	90,964	(30,035)	-	-	200,542
Total Unrestricted funds	539,772	819,425	(700,350)	(27,599)	-	631,248
Restricted funds						
General Annual Grant (GAG)	378,730	4,997,008	(4,481,164)	(607,977)	-	286,597
Start up Grant	10,448	-	(10,448)	-	-	-
Government grants	233,935	4,699	(4,699)	-	-	233,935
Other grants	177,994	146,123	(215,297)	-	-	108,820
Capital maintenance grant	-	50,000	(772)	-	-	49,228
Pension reserve	(622,000)	-	(53,000)	-	71,000	(604,000)
	179,107	5,197,830	(4,765,380)	(607,977)	71,000	74,580
Restricted fixed asset funds						
DfE/EFA capital grants	36,000	-	(4,000)	-	-	32,000
Capital expenditure from GAG	70,488	-	(92,598)	607,977	-	585,867
Capital expenditure from other income	6,353	-	(5,716)	27,599	-	28,236
Transfer on conversion	-	9,727,088	(194,542)	-	-	9,532,546
	112,841	9,727,088	(296,856)	635,576	-	10,178,649
Total restricted funds	291,948	14,924,918	(5,062,236)	27,599	71,000	10,253,229
Total of funds	831,720	15,744,343	(5,762,586)	-	71,000	10,884,477

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

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NOTES TO THE FINANCIAL STATEMENTS
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20 STATEMENT OF FUNDS (continued)

Provision of Boarding - Income received from the boarding house is designated by the parents of the boarders to be used for the boarding costs of their children. The boarding house is severally accounted for each year with regards to its reserves.

Other income not for capital purposes - Some of this balance relates to the unspent funds introduced from the predecessor school. This must be used for the running costs of the Academy. Other income in the fund can be spent at the trustees' discretion in relation to the academy's educational activities.

General Annual Grant - must be used for the normal running costs of the Academy.

Included in other government grants & other restricted income are the following:

- * Standards fund, school development and targeted support - these must be used to boost standards of the attainment within the Academy. Unspent funds can be carried forward.

- * Diploma formula grant - This funding is to be used to support the additional costs of diplomas at Key Stage 4 which cannot be met by main stream funding and any unspent funds must be spent by the end of August in the financial year following payment.

- * 16 to 19 Bursary funding - This funding is a grant that the academy receives which it allocates to young people who need financial support to stay on in further education or training.

- * SEN one to one funding - This funding is to be used for one to one tuition of children on the special education register.

- * Pupil premium - is additional funding given to the Academy so that it can support their disadvantaged pupils and close the attainment gap between them and their peers.

Capital maintenance grant - This funding is to be used for capital expenditure and repairs to the humanities block, to address the subsidence issue. This funding can be carried forward and if it is expected to be spent next year. The Academy estimates the actual costs of the project will be significantly less than the grant amount and therefore a clawback of funds is possible in the 2013/14 year.

Pension reserve - the costs and income associated with the defined benefit pension scheme, the local government pension scheme (LGPS) have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS and the pension liability has therefore been aligned with these costs. Transfers between funds of £71,000 relates to the movement in the pension liability (excluding actuarial gains/losses).

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

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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	10,178,649	10,178,649	112,841
Current assets	922,403	1,214,093	-	2,136,496	1,923,129
Creditors due within one year	(291,155)	(535,513)	-	(826,668)	(582,250)
Provisions for liabilities and charges	-	(604,000)	-	(604,000)	(622,000)
	<u>631,248</u>	<u>74,580</u>	<u>10,178,649</u>	<u>10,884,477</u>	<u>831,720</u>

22 NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2013 Total £	2012 £
Net incoming resources before revaluations	9,981,757	-	9,981,757	383,375
Returns on investments and servicing of finance	(9,520)	-	(9,520)	(8,258)
Deduct assets inherited on conversion	(9,727,088)	-	(9,727,088)	-
Depreciation of tangible fixed assets	296,856	-	296,856	25,066
Decrease in debtors	18,664	-	18,664	69,869
Increase/(decrease) in creditors	181,358	-	181,358	(30,192)
FRS 17 adjustments	53,000	-	53,000	26,000
Net cash inflow from operations			<u>795,027</u>	<u>465,860</u>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>9,520</u>	<u>8,258</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(635,576)</u>	<u>(128,241)</u>

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24 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	1,549,191	168,971	-	1,718,162
Net funds	1,549,191	168,971	-	1,718,162

25 CONTINGENT LIABILITIES

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

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

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

26. CAPITAL COMMITMENTS

At 31 August 2013 the Academy had capital commitments as follows

	2013 £	2012 £
Contracted for but not provided in these financial statements	28,000	-

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27 PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County 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 2004 and of the LGPS 01 March 2011

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) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government

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27 PENSION COMMITMENTS (continued)

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

DE ASTON SCHOOL, ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

27 PENSION COMMITMENTS (continued)

The total contribution made for the year ended 31 August 2013 was £149,000, of which employer's contributions totalled £112,000 and employees' contributions totalled £37,000. The agreed contribution rates for future years are 17.9% for employers and variable rates for employees.

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

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	6.60	1,191,000	5.50	909,000
Bonds	4.30	186,000	3.70	157,000
Property	4.70	170,000	3.70	133,000
Cash	3.60	-	2.80	12,000
Total market value of assets		1,547,000		1,211,000
Present value of scheme liabilities		(2,151,000)		(1,833,000)
(Deficit)/surplus in the scheme		(604,000)		(622,000)

The amounts recognised in the Balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	(2,151,000)	(1,833,000)
Fair value of scheme assets	1,547,000	1,211,000
Net liability	(604,000)	(622,000)

The amounts recognised in the Statement of financial activities are as follows

	2013 £	2012 £
Current service cost	(150,000)	(131,000)
Interest on obligation	(79,000)	(79,000)
Expected return on scheme assets	64,000	64,000
Total	(165,000)	(146,000)
Actual return on scheme assets	187,000	98,000

DE ASTON SCHOOL, ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

27 PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows

	2013 £	2012 £
Opening defined benefit obligation	1,833,000	1,373,000
Current service cost	150,000	131,000
Interest cost	79,000	79,000
Contributions by employees	37,000	41,000
Actuarial losses	52,000	209,000
	<u>2,151,000</u>	<u>1,833,000</u>

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

	2013 £	2012 £
Opening fair value of scheme assets	1,211,000	952,000
Expected return on assets	64,000	64,000
Actuarial gains and (losses)	123,000	34,000
Contributions by employer	112,000	120,000
Contributions by employees	37,000	41,000
	<u>1,547,000</u>	<u>1,211,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £67,000 (2012 - £138,000)

The Academy expects to contribute £103,000 to its Defined benefit pension scheme in 2014

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013	2012
European equities	77.00 %	75.00 %
European bonds	12.00 %	13.00 %
Property	11.00 %	11.00 %
Cash	- %	1.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	6.10 %	5.00 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

DE ASTON SCHOOL, ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

27. PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	21.2	21.2
Females	23.4	23.4
Retiring in 20 years		
Males	23.7	23.7
Females	25.7	25.7

Amounts for the current and previous two periods are as follows

Defined benefit pension schemes

	2013 £	2012 £	2011 £
Defined benefit obligation	(2,151,000)	(1,833,000)	(1,373,000)
Scheme assets	1,547,000	1,211,000	952,000
Deficit	(604,000)	(622,000)	(421,000)
Experience adjustments on scheme liabilities	(52,000)	(209,000)	(124,000)
Experience adjustments on scheme assets	123,000	34,000	87,000

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as shown below

Change in assumption at 31 August 2013	Approx % increase to employer liability	Approx monetary amount £000
0.5% decrease in real discount rate	13	278
1 year increase in member life expectancy	3	65
0.5% increase in the salary increase rate	6	136
0.5% increase in the pension increase rate	6	134

DE ASTON SCHOOL, ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

28 OPERATING LEASE COMMITMENTS

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

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within 1 year	-	-	6,900	3,772
Between 2 and 5 years	-	-	10,800	6,680
Total	-	-	17,700	10,452

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place during the year

The Academy engaged a company in which Mr R Marshall has an interest to perform Project Management services on construction work. Another company in which Mr Marshall has an interest was engaged to provide maintenance materials. In accordance with Academy policies, Mr Marshall declared his interests and played no part in the selection of supplier.

The Academy's school premises are leased at a peppercorn rent under a 125-year lease, which commenced 1 March 2011. The landlord is The Spital Charity and De Aston School Foundation, several trustees of which are common to the DeAston School Academy Trust.

30 CONTROLLING PARTY

The trustees as a body have ultimate control of the Academy. There is no individual controlling party.

DE ASTON SCHOOL, ACADEMY TRUST
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**ACADEMY BOARDING TRADING ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2013**

	2013 £	2012 £
Incoming Resources		
Income from house boarders	712,767	733,775
Income from lettings	12,540	14,287
Bank interest	3,154	2,980
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TOTAL Incoming Resources	728,461	751,042
LESS EXPENDITURE		
Direct Costs		
Wages and salaries - teaching	64,847	71,899
National insurance - teaching	6,479	7,035
Pension costs - teaching	8,229	8,229
Educational supplies	4,797	21,049
Staff Development	3,356	1,431
Catering	153,713	191,947
Other direct costs - rechargeable expenses	32,429	43,062
Depreciation	21,047	-
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Total direct costs	294,897	344,652
Support Costs		
Wages and salaries - support staff	140,582	126,436
National insurance - support staff	4,983	4,733
Pension costs - support staff	20,627	20,096
Pupil recruitment and support	6,416	9,122
Maintenance of premises and equipment	140,243	77,369
Cleaning	7,572	6,639
Rent and rates	7,344	7,280
Energy costs	38,599	25,229
Security	10,121	-
Transport	4,888	4,206
Telephone, postage and stationary	1,272	2,492
Other costs	5,882	4,628
Bank interest and charges	37	28
Operating leases - other	2,736	2,736
Bad debts	5,163	9,533
	<hr/>	<hr/>
Total support costs	396,465	300,527
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TOTAL EXPENDITURE	691,362	645,179
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NET INCOME FOR THE YEAR	37,099	105,863
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