

Co House

Company Registration No 07577113 (England and Wales)

**ASTON COMMUNITY EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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ASTON COMMUNITY EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2013

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ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2013

Trustees

J Barton (Chair)
P J Bennett
R Dyson
J Long
E Newton
J F Swift

Senior Management Team

Executive Principal/Accounting Officer
Associate Principal
Vice Principal
Vice Principal
Vice Principal
Vice Principal
Associate Senior Leader

E Newton
R Scutt
J Sanigar
R Hibberd
D Richardson
D Curran
L Selkirk

Principal and Registered Office

Aston Academy
Aughton Road
Swallownest
Sheffield
South Yorkshire
S26 4SF

Company Registration Number

07577113

Independent Auditor

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Bankers

Lloyds TSB
14 Church Street
Sheffield
S1 1HP

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

The Directors of Aston Community Education Trust present their annual report together with the financial statements and auditor's report of the Charitable Company 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 Trustees of the Academy Trust are responsible for the strategic direction of the Academy Trust. The responsibility for ensuring that the strategic direction is undertaken falls with the Board of Directors, currently the make up of the Board of Trustees and the Board of Directors are the same. The Directors undertake their responsibility by delegating some responsibility to the Local Governing Body of each Academy within the Multi Academy Trust. The Trustees of Aston Community Education Trust are also the Directors of the Charitable Company for the purposes of company law.

Details of Trustees who served throughout the year are included in the Reference and Administrative Details on page 1, which forms part of this report.

Trustees' liability

Each Trustee 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 Trustee, 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 Trustee.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Charitable Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default of breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Charitable Company. The limit of this indemnity is £5,000,000.

Principal activities

The principal activity of the Charitable Company is the operation of Aston Community Education Trust as a Multi Academy Trust, currently comprising of Aston Academy and Thurstoft Junior Academy, specifically to advance the public benefit of education in the UK. Providing education for students across the age and ability range between the ages of seven and nineteen, offering a broad and balanced curriculum, concentrating on core national curriculum subjects, with an emphasis on ensuring all students can access high quality learning and teaching, enabling all pupils/students to reach their full potential, whatever their age, ability, gender or ethnicity. To promote, for the benefit of the inhabitants of Rotherham and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants. We are a specialist Academy for maths and computing and have strong partnerships with our feeder primary school community and we are rooted in and responsive to the needs of local people.

Method of recruitment and appointment or election of Trustees

The Trustees of Aston Community Education Trust are also the Directors of the Charitable Company for the purposes of company law. As stated in the Articles of Association, the total number of Trustees is 6 and they may appoint up to 6 Trustees, and up to 3 co-opted Trustees. The total number of Trustees (or co-opted Trustees) who are employees of the Company must not exceed one third of the total number of Trustees. The Secretary of State may in special circumstances appoint such additional Trustees as he sees fit. To date there have been no such additions.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

There are also 15 people who fulfil the role of Local Governing Body for Aston Academy and 11 people who fulfil the role of Local Governing Body for Thurcroft Junior Academy and who exercise only the powers which are delegated by the Directors, via terms of reference which are reviewed on an annual basis. Of these there are 2 parent Governors (elected), 2 staff Governors (elected) and one Local Authority nominee in respect of Aston Academy. The same template (pro-rata) is used in Thurcroft Junior Academy, who are also part of the Academy Trust.

We have named Governors who take particular responsibility for the following: Anti-bullying, Arts, Child Protection and Safeguarding, Children in Public Care, Anti-Drugs, Health & Safety on School Trips, Health & Safety, Equality & Diversity, Special Education Needs, Sex & Relationships, Target Setting, Trustee Training & Development, Executive Principal Review Panel, Associate Principal Review Panel.

Our Trustees' and Governors' details are available via the Academy website, by looking in the drop down menu "about us" and choosing "ACET".

Policies and procedures adopted for the induction and training of Trustees

We recognise the positive contribution that Governors can make to our organisation, when they have commitment, training and are given the opportunity to do so, therefore, attracting people with the experience, skills, desire and time to make a difference in their local community is fundamental to our approach. Such people are encouraged to join the team and work with the Trust, as participants of the Local Governing Bodies. The induction and training programme is managed by the named Trustee and a full programme of training and induction is offered, including attendance on relevant training courses offered by external providers, access to in-house training delivered by strategic leaders in school and opportunity to request further training that they feel would be beneficial.

Organisational structure

Aston Community Education Trust are a Multi Academy Trust and are bound by amended articles of association which subject to the provisions of the Companies Act 2006 (and to any directions given by special resolution) ensure that the activities of the Academy Trust are managed by the Trustees through the board of Directors who may exercise all the powers of the Academy Trust. The Directors have appointed separate committees (known as Local Governing Bodies) for each Academy and each committee has terms of reference which are reviewed on an annual basis. The Local Governing Body fulfils their role via sub-committees (with annually reviewed terms of reference). The Trustees approve the annual budget and monitor the use of the budget via reports from relevant committees. The Senior Leadership Team comprising of The Executive Principal and four Vice Principals manage the Academies and implement the policies approved by the Trustees.

The Executive Principal fulfils the role of Accounting Officer in addition to which the following powers are delegated to the Executive Principal which are detailed within the relevant terms of reference and reviewed and approved annually.

Staffing

- Responsibility for appointing all staff below the level of the Leadership Team,
- Responsibility to ensure that selection panels of all posts within the Leadership Team are drawn from the membership of the full governing body to ensure a wide range of skills and experience, and
- Responsibility for the initial decision on dismissing school staff

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Finance

- Purchases of goods and services up to £7,500 allowed providing the market has been tested and the principles of best value applied,
- Purchases of goods and services over £7,500 and up to £75,000 providing at least 2 quotes are obtained, a written record of all quotes including verbal kept with the purchase order, and the principles of best value are applied,
- Purchases of goods and services over £75,000 to be part of a tendering process, minimum of 3 suitable contractors whenever possible, information on such projects provided for discussion and approval at the appropriate governing body committee, approval of the tenders to include at least one non staff Trustee and be either in person or via email where necessary, maintaining the confidentiality of the source of the tenders and noting the reasons, should the decision not be in favour of the lowest value tender

Risk management

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy Trust. Systems or procedures have been established to manage those risks. The procedures include identifying potential risks, assessing them against a scoring system and identifying preventative measures as well as looking at resilience measures. There are in place a number of systems to assess risks that the Academy Trust faces, particularly in operational areas, including teaching, health & safety, anti-bullying and Academy educational visits. Systems include vetting of new staff and visitors, monitoring and supervision of the school site and internal financial controls, including a Controls Assurance Statement, which is reviewed at appropriate times by the Trustees. These systems are for the purpose of minimising risk. Where significant financial risk can still be identified the Trustees have ensured that adequate insurance cover is in place.

Connected organisations including related party transactions

Aston Academy is a strong partner with its feeder primary school community and is in every sense a community Academy. Following requests from the Local Authority, we have provided support to help raise standards in some of our cluster primary schools and we have a very close and mutually beneficial relationship with Thurgroft Junior Academy which is part of our Academy Trust.

The Transforming Rotherham Learning is at the core of our ethos

- We are all responsible for all Rotherham's children and young people,
- All Rotherham learners will achieve, no one will be left behind,
- Learning is the core business. Investment, policy and strategy must be driven by opportunities for learners,
- Learning communities will be rooted in and responsive to the needs of local people

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of Aston Community Education Trust to provide education for pupils/students of different abilities between the ages of 7 and 19.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

We are committed to providing high quality learning and teaching, enabling everyone to reach their full potential, whatever their age, ability, gender or ethnicity.

We believe that every person is unique and we work together in an inclusive environment of mutual respect and consideration, valuing everyone's contribution.

Through our partnership with the local and wider community we aim to support our young people in successfully taking their place in society.

Our Academies are committed to safeguarding and promoting the welfare of our pupils and all adults within the Academies and we have a responsibility to safeguard and promote the welfare of children.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Strategies and activities

Aston Academy is the foundation for the Aston ethos. It is a fully inclusive secondary Academy with an outstanding educational reputation and record of achievement. It has been one of the highest performing Academies/schools within the Rotherham Education Authority for the past four years and was rated "Outstanding" by OFSTED most recently in 2010. It is also a specialist Academy for maths and computing. Aston Academy is a strong partner with its feeder primary school community and is in every sense a community Academy. The Transforming Rotherham Learning is at the core of our ethos.

Children have unlimited potential and it is our responsibility to ensure that they maximise this potential. The Aston ethos starts with good behaviour, leading to strong personal values and feeling of worth. We back this up with strong pastoral care to ensure that our students can focus on their education in the widest sense. We want every student to achieve their potential. This encompasses their academic, social and personal development.

We are committed to providing education for all youngsters from the community which the school serves and therefore, would never adopt a selective admissions policy. We are equally committed to avoiding fixed and permanent exclusions for students in our care. Our 100% target for students achieving 5+ A*-C in 2013 indicates our ambition for ALL our students.

We have an excellent record with children with Special Educational Needs and pride ourselves on exhausting every existing intervention to enable children to succeed and then if necessary we will create more - we are determined that no child will be left behind.

Our staff are talented, dedicated professionals, committed to delivering top quality education. There is a strong focus on developing the profession and on continuous improvement. Trustees, Governors, teachers and associate professionals work together as a team and indeed team work with all our partners is another critical aspect of our educational ethos and reason for our success.

Trustees ensure that we deliver a broad and balanced curriculum that concentrates on core national curriculum subjects. They appreciate the additional autonomy offered to Academies to personalise the curriculum further, in the best interests of the student.

Parents and carers are core to supporting the learning of their child. We develop open communications to ensure that positive, supportive relations are developed between the Academy and the home. We seek to develop autonomous not dependent partners.

Continuing whole Academy priorities include

- To develop independent learning and outstanding teaching across the Academy,
- To continue to evaluate, develop and improve key stage 5 provision, to respond to changes resulting from the raising of the participation age from September 2013,
- To review target setting procedures and tools, in order to ensure students are set appropriately aspirational targets,
- To develop provision for one to one academic mentoring/guidance for all students,
- To continue to develop opportunities for students to develop as independent learners post 16,
- To continue to develop systems for tracking of attendance, including intervention strategies,
- To create a distinctive purpose and ethos in key stage 3,
- To develop a positive Academy culture through the promotion of students' emotional and mental well-being,
- To continue to develop effective 'Continual Professional Development' opportunities throughout the Academy,
- To improve the quality of accommodation around the whole Academy site, create space for possible construction of a new block, and
- To liaise with the Academy Trust appointed audit partners to ensure that our routine finance systems and procedures also support easy access to information relevant to their needs in production of annual accounts and all other reporting requirements undertaken on behalf of Aston Community Education Trust.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Public benefit

The Directors have due regard to the guidance and requirements on public benefit published by the Charity Commission, in exercising their powers or duties and will further take into consideration the revised guidance when this is published. A key object of the Academy Trust is to advance for the public benefit education in the United Kingdom.

Achievements and performance

Aston Academy

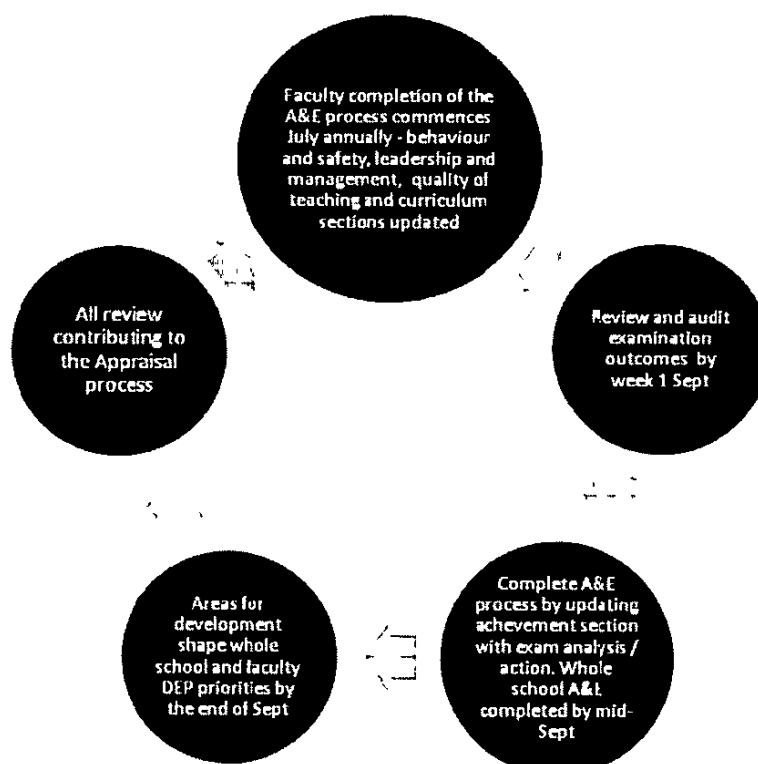
Aston Academy continue to build on our successes and our annual Aston Community Education Trust Awards Evening which took place on May 2nd was once again an outstanding event, celebrating all aspects of achievement across the Academy Trust, with staff, students, parents/carers, Trustees, Directors, Governors and invited VIP's all bursting with pride and enjoying the occasion as our wonderful young people claimed their awards.

Raising literacy across the curriculum at key stage 3 remains a key priority. Raising standards of attainment and achievement at key stage 5, and developing high quality learning and teaching, with a focus on independent learning have been the key developing excellence priorities for the last three academic years. These priorities will be reviewed at the start of the new academic year following completion of the faculty and whole school audit and evaluation.

During this academic year the Academy has also focussed on securing consistently good and outstanding teaching. In the final review meetings of the academic year all faculties reported a significant improvement in their overall judgements on the quality of teaching. This is very pleasing and reflects our overall judgement of the Academy as outstanding.

The tracking of progress towards our objectives has been regularly discussed as part of the monitoring and evaluation cycle and measured against very clear success criteria.

We have a very clear yearly cycle for completing these key documents as outlined below.



ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Teaching staff in maths, English and science have received training on the teaching of literacy across the curriculum at key stage 3. They are now able to interpret the results of baseline testing in literacy. The Leadership Team continue to monitor the delivery of literacy across the curriculum.

Partnership development with Rotherham College of Arts and Technology

Work has begun this year on developing further our partnership Rotherham College of Arts and Technology (RCAT) with a view to providing Aston students, in partnership with RCAT, a broader choice of vocational courses at both levels 2 and 3 from September 2014.

Pupil Premium

Attainment of students entitled to the Pupil Premium Grant in all year groups is monitored each half term. Students needing intervention and support particularly in mathematics and/or English are receiving extra support.

Our Educational Psychologist works with vulnerable cohorts, parents and carers, students and staff to enable students to successfully access classroom teaching.

Our Engagement and Learning Coordinator signposts services to support families and is offering intervention programmes to engage students in learning.

Our Education Welfare Officer monitors the attendance of our vulnerable cohorts including students entitled to the Pupil Premium Grant.

A contribution has been made to the salary of the Aston Extended Services Officer to provide activities and summer school programmes to disadvantaged children including those entitled to the Pupil Premium Grant.

Financial support is given to students entitled to the Pupil Premium Grant to ensure that they have access to the wider mainstream curriculum. This may include:

- Off-site visits
- Residential visits (key stage 3 and key stage 4)
- Music lessons, after school clubs, Expanded Learning Time clubs and sporting activities
- Transport
- Summer school (provided by Aston Teaching and Support staff)
- School uniform

More laptops and software reading programmes have been purchased in response to the increased number of students who have an entitlement to additional support during external exams.

Booster classes and enhanced staffing in maths, English and science have been funded from the Pupil Premium. Additional financial support has been given to allow Pupil Premium students to attend educational visits. Alternative curriculum offers have been made to support students who do not attend Aston Academy for mainstream provision. Payments to outside providers, additional transport arrangements, and taxis have been made to support these students. Pupil Premium students have also benefitted from funding which has given them the opportunity to have music lessons from peripatetic music teachers.

Year 7 literacy and numeracy catch-up premium

Literacy and numeracy groups met regularly during the summer term to develop provision in these important curriculum areas. Baseline testing for literacy was completed in the summer term for students for whom it was appropriate. Eligible students are being monitored, tracked and intervention programmes are in place to raise their literacy levels.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Three Counties Alliance

Aston Academy was invited to become the outstanding Academy in an Alliance of Yorkshire Schools, including our Master of Arts Partner – Minsthorpe Community College in Wakefield. This Alliance was initially designed to provide School Centred Initial Teacher Training (SCITT), starting in September 2014. The Alliance needed an outstanding Academy/school in order for its bid to train and certify teachers (in conjunction with the University of Edgehill) to succeed. Such a partnership is mutually beneficial, and complements our other Initial Teacher Training (ITT) work. It will involve Aston Academy offering ITT placements to student teachers from the SCITT, alongside our existing ITT placements with Sheffield Hallam and the University of Sheffield. Aston staff will also deliver training to the SCITT cohort of 54 trainees on specific aspects of pedagogy, as required by the Teaching Standards. The Teaching School Alliance (TSA) will work together in partnership to deliver Teaching School Key Outcomes and in addition to our Master of Arts Partner school Minsthorpe Community College, Thornhill Community Academy in Dewsbury joined us in spring, and in summer Silcoates Independent School in Dewsbury also joined. Several local primary schools (Aston All Saints Church of England Primary School, Aston Lodge Primary School, Brookhouse Junior School, Springwood Primary School, Thurcroft Junior Academy and Treeton Church of England Primary School) have also joined and three Higher Education Institutions (Sheffield Hallam University, University of Sheffield and Edgehill University) have agreed to be strategic partners. The Three Counties Alliance SCITT received DfE accreditation in June 2013 and going forward will recruit 50 ITT trainees over 2013 to 2014, to begin training in the 10 partner schools in 2014, giving Aston Academy direct input into designing training programmes and assessing progress.

School Direct

Our pilot scheme in respect of School Direct has been a useful and thought provoking exercise, and demonstrates that we have high standards and expectations in our commitment to providing the highest quality training opportunities for School Direct trainees.

We have further developed a School Direct Cluster of 6 Academies/schools with the University of Sheffield, and recruited 28 trainees to start in September 2013 across the cluster. The trainees will replace the traditional Post Graduate Certificate in Education (PGCE) placements over the year. We are able to do this through our Outstanding OFSTED and participation in the Sheffield Hallam University pilot. The School Direct places continue to give Aston Academy access to very high quality recruits from our University partner.

PE and sports programme

A high level of sporting success continues to be achieved across the Academy Trust, we have had representation at county and national level in athletics (javelin), we have a student representing South Yorkshire in the English Schools Championship for cross country, one of our students is ranked 14th nationwide when competing in the heptathlon and one of our students ranked in the top 25 nationwide for swimming, competing in 200 and 400 freestyle medley and 400 individual medley. Teams have reached finals in rounders, netball, cheerleading, gymnastics, badminton and football, and we won the Rotherham championships in cricket and football.

Fundraising

All year groups in Aston Academy were involved in the sponsored walk on Friday October 11th, when they shared an enjoyable experience with their classmates whilst raising funds for others less fortunate than themselves. The event was closely supervised by staff ably assisted by post 16 students who also showed great generosity of spirit when they led the annual Children in Need collection in both Academies on Friday November 15th. Each year we are amazed to see the array of colourful costumes which appear and this year was no exception. We can only imagine how difficult it is for staff to avoid smiling as they stand in front of a class of bananas, hot dogs and Disney characters. Thank you to all our pupils, students, their families and our staff for supporting charity events. Last year saw Aston Community Education Trust youngsters raising over £11,000 for good causes.

Aston Makunduchi partnership

The autumn term saw the return leg of the 9th exchange between our two schools. 8 students and 2 teachers stayed in our community between October 20th and November 11th. The visit had a firm curricular and cultural base and involved 2 weeks of lessons and a half term week where the Zanzibari guests were taken on visits to the area.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

As always, the 10 Africans provided a dash of exotic excitement and humour around the Academy. Staying with host families, they quickly made friends with our students. They expressed amazement at the resources available at the Academy and experienced the full range of experiences from trampolining in the leisure centre to making torches in product design.

We owe a debt of gratitude as always to the colleagues who gave so willingly of their time and the host families who provided a secure and happy welcome. The visit would not have been possible without the financial support of Aston Charities and Aston Recreational Charity and we would like once again to express our gratitude. As always, Aston cum Aughton Parish Council gave freely of their time and financial support, funding the farewell celebration and inviting our students and the Makunduchi students to be guests of honour at the community firework display.

This was the most successful and enjoyable exchange yet.

Thurcroft Junior Academy

Support for Thurcroft Junior Academy (TJA) has included preparation for Standard Attainment Tests (SATs) through the contribution to,

- the planning and delivery of booster sessions in both mathematics and reading,
- the compilation of writing portfolios and the moderation of levels which were validated by the Local Authority, and
- exam invigilation from Aston Academy in order that TJA staff could focus on student support where identified.

A detailed analysis of SATs outcomes, including the progress and attainment of all groups of children was carried out by the Associate Principal and leadership partner. Formal lesson observations with detailed feedback continued until the end of the summer term. The Special Educational Needs Coordinator continued to investigate further support for a small number of pupils with additional needs through extended partnerships.

In addition, additional leadership support contributed to the organisation and participation of the year 6 residential ensuring that there was subject specific additional input into the study of a coastline resort.

Premises

Managing and improving the physical environment of the Academy Trust continues to be a key priority and we were successful in securing further funding from the Academies Capital Maintenance Fund for a programme of roof refurbishment at Thurcroft Junior Academy with a project value in excess of £249,000.

Year 11

Results were very pleasing and yet again, despite the impact of changes to grade boundaries, our main headline figures in maths and English were still significantly above the Fischer Family Trust data estimates and national averages.

Measure	2013 result
5A* - C including maths and English	76%
5A* - C	99%
5A* - G	99%
3 levels progress English	84%
3 levels progress maths	80%
Average point score (based on 4Matrix)	546.11
Capped average point score	355.15
A* - C in English	79%
A* - C in maths	81%
English Baccalaureate	33%

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

Year 12

Advanced Subsidiary (AS) level performance as a whole remains significantly above the national average, with very strong value added performance within chemistry, computing, economics, psychology, sociology and English language 100% of subjects performed in line with or above national averages

Year 13

The pass rate at Advanced level 2 (A2) and equivalent this year was an outstanding 98.4% 30% of grades were at A*/A, representing excellent performance, well above the national average Indeed, the proportion of A* grades rose this year to 16.2%, representing a 4.8% improvement on last year

Equally impressive was the 58% of entries graded at A* - B, again significantly above national averages (based on 2012 figures) and a 7.6% improvement on last year's figure

Going concern

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

Key financial performance indicators

The Academy Trust uses performance indicators to evidence that in addition to working within all relevant legislative requirements and guidance, all funds are used in the most efficient and effective way, to fully support continuing excellence The financial performance of the Academy Trust is monitored by the Directors, via regular meetings and access to concise monitoring information which can be clearly and easily understood Performance indicators include monitoring that

- spending has been for the purpose intended,
- no Trustee, Governor or employee has benefitted personally from the use of these funds,
- the Senior Officers' payroll arrangements fully meet tax obligations,
- competitive tendering is in place and applied,
- there is probity in the use of public funds,
- segregation of duties is embedded throughout financial systems, and
- regular comparison of staffing numbers against current and projected student intake takes place

The Academy is also subject to scrutiny from external organisations including the EFA via the Budget Forecast return, Whole Government Accounts return, and Financial Management and Governance Evaluation

Financial review

Most of the Academy Trust's income is received from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes The grants received in year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

The Academy Trust also receives grants for fixed assets from the DfE and from other government bodies in accordance with Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund The fixed asset fund balance is reduced by annual depreciation charges over expected useful life of the assets concerned

The Statement of Financial Activities for the period ended 31 August 2013 shows a surplus before pension adjustments of £247,000

At 31 August 2013 the net book value of fixed assets was £13,495,000 and movements in tangible fixed assets are shown in note 13 to the financial statements The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

The Academy Trust also received capital grants of £244,000 for use at Aston Academy in respect of a further programme of window replacements and £249,000 for use at Thurcroft Junior Academy in respect of a programme of flat roof replacement following bids to the Academies Capital Maintenance Fund. This was in addition to the Devolved Formula Capital grants received by the Academy Trust.

Financial and risk management objectives and policies

The Academy Trust recognises the need to identify and assess the probability of all financial risks. The objective is to comply with best practice and to have on-going, continually developing systems in place to mitigate financial risks. We continuously evaluate our systems, including appropriate software packages, to comply with our statutory obligations as an employer and we have worked with our auditors and colleagues in payroll and HR to ensure that all statutory returns have been submitted within appropriate timescales.

Principal risks and uncertainties

These include

- Uncertainties in levels of funding, particularly in the current economic climate,
- Proposed changes to funding mechanisms at national level,
- Fluctuations in student number projections,
- Impact of raising the age of participation,
- Impact of parental choice,
- Management of pension deficit, and
- Impact of inflation and other similar factors outside the control of the Academy Trust

The Academy Trust is mindful of all these more and more and will ensure that these form part of our developing risk register on an on-going basis and that appropriate controls exist to minimise/mitigate any impact on the Academy Trust.

Reserves policy

The Academy Trust's policy is to assess the on-going financial needs of the organisation and make sufficient provision via appropriate income streams. The overarching principle is that this year's funds are for the benefit of this year's pupils/students and that all grant funding is spent as needed, however, within this is recognition that it is absolutely vital that prudent cost projections must be used to inform the annual budget and close attention must be paid to supporting renewals and analysing historic information and how it is used in the planning process. Reserves have not been allowed to exceed previously stated levels from the EFA including the restrictions within these levels (these limits were removed as of September 2012, but any specific requirements of individual funding agreements must be adhered to).

Unrestricted reserves are under the direction of Aston Community Education Trust and will be allocated in line with the strategic aims and objectives of the Academy Trust and Developing Excellence Plan priorities.

As at 31 August 2013 the unrestricted reserves were £371,000.

The restricted pension fund reserve is in deficit to the value of £2,092,000 as at 31 August 2013. This deficit has been inherited upon conversion to Academy status and the Trustees will continue to monitor this situation closely.

Investment policy

Using cash flow information, investments are restricted to risk free, short, fixed term on-shore deposits with our own bankers. Interest from such deposits is used by the Academy Trust as unrestricted income.

Plans for future years

The Academy Trust will continue our commitment to continuous improvement and higher levels of achievement for all our students/pupils across all Academy sites, in line with our ethos of ensuring that each and every student/pupil reaches his or her full potential. We fully understand what is required in order to promote effective and sustainable school improvement and in addition to our overarching commitment to providing a broad and balanced curriculum is our intention to further support our core curriculum of maths, English, science, ICT and PE.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2013

We are continuing with our programme of partnership with local special schools, providing enrichment opportunities for their students, students of Aston Academy and students of Thurcroft Junior Academy

We plan to continue to submit relevant capital bids whenever possible to obtain maximum benefit for large scale high impact refurbishment projects to upgrade the buildings around both Academy sites which will provide immediate and long term benefit. With careful management to minimise disruption to students and staff this will further support learning and teaching by providing an enhanced student environment accessible to all stakeholders of the Academy Trust.

Auditor

The financial statement auditors, Hart Shaw LLP, are willing to continue in office and a resolution to reappoint them will be proposed in the annual general meeting.

Statement as to disclosure of information to the auditor

In so far as the Directors are aware

- there is no relevant audit information for which the Charitable Company's auditor is unaware, and
- the Directors 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.

Approved by order of the board of Directors on 16/12/13 and signed on its behalf by



J Barton
Chair of Directors

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Aston Community Education 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 objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aston Community Education Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees and Directors	Meetings attended	Out of a possible
J Barton (Chair)	4	4
P J Bennett	4	4
R Dyson	4	4
J Long	3	4
E Newton	4	4
J F Swift	3	4

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aston Community Education Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operative, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the 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 Strategic Finance Team and reported to the board of Trustees.

The risk and control framework

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

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

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

The board of Trustees has considered the need for a specific internal audit function and whilst not appointing an internal auditor, such a function has been undertaken by appropriately qualified external personnel and the information provided by them has been used to inform reports presented to the board of Directors by the Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Chartered Accountants have carried out financial checks each term and reported their findings to the RO. The RO reports to the board of Trustees on the operation of the systems of control and on the discharge of financial responsibilities.

The system of internal control has been developed and is co-ordinated by the Executive Principal/Accounting Officer in liaison with the Business & Finance Director (or other delegated person). It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

Review of effectiveness

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

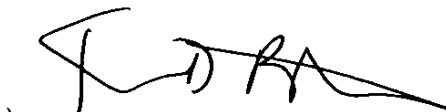
- the work of the Responsible Officer,
- the work of the external auditor,
- the work of managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework,
- regular scrutiny of financial and other performance monitoring data,
- completion of a Financial Risk & Control Checklist


The Accounting Officer has been advised of the implications of the review of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system will be developed.

Approved by order of the members of the board of Trustees on
on its behalf by

16/12/13

and signed


J Barton
Chair of Trustees


E Newton
Accounting Officer

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013

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

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

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

Eurice Newton

E Newton
Accounting Officer

Date 16/12/13

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2013

The Trustees (who act as Governors of Aston Community Education Trust 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
behalf by

16/12/13

and signed on its



J Barton
Chair of Trustees

ASTON COMMUNITY EDUCATION TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF
TRUSTEES OF ASTON COMMUNITY EDUCATION TRUST
FOR THE YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Aston Community Education Trust for the year ended 31 August 2013 on pages 21 to 44 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 Accounts Direction 2013, issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust'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

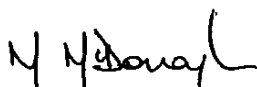
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ASTON COMMUNITY EDUCATION TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF
TRUSTEES OF ASTON COMMUNITY EDUCATION TRUST
FOR THE YEAR ENDED 31 AUGUST 2013

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 Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Martin McDonagh (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP

17 12 . 2013

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

ASTON COMMUNITY EDUCATION TRUST
INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ASTON
COMMUNITY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement 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 Aston Community Education Trust for the year ended 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 Aston Community Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aston Community Education 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 Aston Community Education Trust and the EFA, for our work, for this report, or for the conclusions we have formed.

Respective responsibilities of Aston Community Education Trust's Accounting Officer and reporting accountant

The Accounting Officer is responsible, under the requirements of Aston Community Education Trust's funding agreement with the Secretary of State for Education dated 29 June 2012 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 ended 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 Trust's income and expenditure.

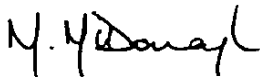
The work undertaken to draw our conclusions includes

- We have carried out systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements.
- We have carried out detailed substantive testing on revenue and capital transactions to ensure these have been properly reflected and recorded in the financial statements and are for the purpose of the Academy Trust.
- We have carried out a detailed review of related parties to ensure Trustees are not benefiting from transactions with the Academy Trust.

ASTON COMMUNITY EDUCATION TRUST
INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ASTON
COMMUNITY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2013

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 for the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Martin McDonagh (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

17 12 - 2013

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

ASTON COMMUNITY EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013 (INCLUDING
INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND
LOSSES)
FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	7	-	-	7	-
Activities for generating funds	3	32	229	-	261	304
Transfer from local authority on conversion		-	11	-	11	11,047
Investment income	4	3	-	-	3	3
Incoming resources from charitable activities						
Funding for the Academy's educational operations	5	-	10,329	509	10,838	14,240
Other incoming resources	6	-	2	-	2	-
Total incoming resources		<u>42</u>	<u>10,571</u>	<u>509</u>	<u>11,122</u>	<u>25,594</u>
Resources expended	7					
Cost of generating funds						
Costs of generating voluntary income		-	-	-	-	-
Costs of activities for generating funds		-	208	-	208	3
Charitable activities						
Academy's educational operations	8	-	9,886	773	10,659	13,114
Governance costs	9	-	8	-	8	64
Total resources expended		<u>-</u>	<u>10,102</u>	<u>773</u>	<u>10,875</u>	<u>13,181</u>
Net incoming/(outgoing) resources before transfers		42	469	(264)	247	12,413
Gross transfers between funds	17	-	(409)	409	-	-
Net income for the year		<u>42</u>	<u>60</u>	<u>145</u>	<u>247</u>	<u>12,413</u>
Other recognised gains and losses						
Actuarial gains on defined benefit schemes	27	-	95	-	95	(277)
Net movement in funds in the year		<u>42</u>	<u>155</u>	<u>145</u>	<u>342</u>	<u>12,136</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2012	17	329	(1,543)	13,350	12,136	-
Total funds carried forward at 31 August 2013		<u>371</u>	<u>(1,388)</u>	<u>13,495</u>	<u>12,478</u>	<u>12,136</u>

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

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

ASTON COMMUNITY EDUCATION TRUST

BALANCE SHEET AS AT 31 AUGUST 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Fixed assets					
Tangible assets	13		13,495		13,333
Current assets					
Stock	14	36		11	
Debtors	15	389		388	
Cash at bank and in hand		<u>1,663</u>		<u>1,383</u>	
		2,088		1,782	
Creditors amounts falling due within one year	16	<u>(1,013)</u>		<u>(929)</u>	
Net current assets			<u>1,075</u>		<u>853</u>
Total assets less current liabilities			14,570		14,186
Pension scheme liability	27		(2,092)		(2,050)
Net assets including pension liability			<u>12,478</u>		<u>12,136</u>
Funds of the Academy Trust					
Restricted income funds					
Fixed asset fund	17	13,495		13,350	
General fund	17	704		507	
Pension reserve	17	<u>(2,092)</u>		<u>(2,050)</u>	
Total restricted funds			12,107		11,807
Unrestricted income funds					
General fund	17	<u>371</u>		<u>329</u>	
Total unrestricted funds			371		329
Total funds			<u>12,478</u>		<u>12,136</u>

The financial statements on pages 21 - 44 were approved by the Trustees and authorised for issue on 16/12/13, and are signed on their behalf by


J. Barton
Chair of Trustees

Company Registration No 07577113 (England and Wales)

ASTON COMMUNITY EDUCATION TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

		2013	2012
	Notes	£'000	£'000
Net cash inflow from operating activities	21	1,201	3,075
Returns on investments and servicing of finance	22	3	3
Capital expenditure	23	(935)	(1,983)
Cash transferred on conversion to an Academy Trust		11	288
Increase in cash in the year	24	<u>280</u>	<u>1,383</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		1,383	-
Net funds at 31 August 2013		<u>1,663</u>	<u>1,383</u>

ASTON COMMUNITY EDUCATION TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Academy Trust's resources and the challenges presented by the current economic climate, the Trustees are confident that the Academy Trust has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

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

Donations

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

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

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT (where applicable).

ASTON COMMUNITY EDUCATION TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2013

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Leasehold land	Over the lease term of 125 years
Leasehold buildings	Over the remaining life of buildings up to 50 years
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	33 33% straight line
Motor vehicles	25% reducing balance

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicated 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 impairment. Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

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

Stock

Computer consumables and stationery stocks are valued at the lower of cost and net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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

ASTON COMMUNITY EDUCATION TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2013

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

Fund accounting

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

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

ASTON COMMUNITY EDUCATION TRUST

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

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Transfer from local authority on conversion	-	11	-	11	11,047
Other voluntary income					
Other voluntary income	7	-	-	7	-
	<u>7</u>	<u>11</u>	<u>-</u>	<u>18</u>	<u>11,047</u>

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Hire of facilities	8	-	-	8	4
Trips, books etc	-	222	-	222	172
Cover for teachers	-	7	-	7	67
Sundry income	24	-	-	24	61
	<u>32</u>	<u>229</u>	<u>-</u>	<u>261</u>	<u>304</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Bank interest received	3	-	-	3	3

ASTON COMMUNITY EDUCATION TRUST

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

5 Funding for Academy's Educational Operations

	Unrestricted funds £'000 Aston	Unrestricted funds £'000 Thurcroft	Restricted funds £'000 Aston	Restricted funds £'000 Thurcroft	Total 2013 £'000	Total 2012 £'000
DfE/YPLA revenue grants						
General annual grant (GAG)	-	-	8,915	945	9,860	12,358
16-19 bursary fund	-	-	1	-	1	15
WGA assistance	-	-	21	-	21	2
Pupil premium	-	-	227	73	300	178
Conversion grant	-	-	-	-	-	25
GAG insurance	-	-	61	4	65	65
PE teacher grant	-	-	8	-	8	-
Capital grants	-	-	257	252	509	70
Other	-	-	37	-	37	-
	<u>-</u>	<u>-</u>	<u>9,527</u>	<u>1,274</u>	<u>10,801</u>	<u>12,713</u>
Other government grants						
Local authority grants	-	-	-	-	-	47
Special educational projects	-	-	27	-	27	75
Partnerships for schools	-	-	-	-	-	1,405
Other government grants	-	-	2	-	2	-
	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>1,527</u>
Other grants	-	-	8	-	8	-
	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>9,564</u>	<u>1,274</u>	<u>10,838</u>	<u>14,240</u>

6 Other income

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Exam board release vouchers	-	2	-	2	-
	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

ASTON COMMUNITY EDUCATION TRUST

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

7 Resources expended

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
Costs of activities for generating funds	-	-	208	208	3
Academy's educational operations					
Direct costs	5,838	773	718	7,329	9,248
Allocated support costs	1,993	893	444	3,330	3,866
	<u>7,831</u>	<u>1,666</u>	<u>1,370</u>	<u>10,659</u>	<u>13,114</u>
Governance costs including allocated support costs	-	-	8	8	64
	<u>7,831</u>	<u>1,666</u>	<u>1,378</u>	<u>10,875</u>	<u>13,181</u>

	2013 £'000	2012 £'000
Incoming/outgoing resources for the year include		
Operating leases		
Land and buildings	59	-
Other	42	33
Fees payable to auditor		
Audit	4	11
Other services	3	11
Depreciation	773	993

ASTON COMMUNITY EDUCATION TRUST

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

8 Charitable activities - Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Direct costs					
Teaching and educational support staff costs	-	5,838	-	5,838	7,320
Depreciation	-	-	773	773	993
Loss on disposal of fixed assets	-	-	-	-	111
Technology costs	-	111	-	111	-
Educational supplies	-	93	-	93	174
Examination fees	-	264	-	264	244
Staff development	-	23	-	23	42
Educational consultancy	-	65	-	65	114
Other direct costs	-	162	-	162	250
	-	6,556	773	7,329	9,248
Allocated support costs					
Support staff costs	-	1,993	-	1,993	2,194
Recruitment and support	-	18	-	18	-
Security and maintenance of premises and equipment	-	271	-	271	501
Cleaning	-	213	-	213	261
Rent and rates	-	110	-	110	59
Insurance	-	139	-	139	164
Transport	-	24	-	24	28
Catering	-	134	-	134	126
Utilities	-	160	-	160	137
Other support costs	-	268	-	268	396
	-	3,330	-	3,330	3,866
Total	-	9,886	773	10,659	13,114

9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2013 £'000	Total 2012 £'000
Legal and professional fees	-	1	-	1	17
Cost of conversion	-	-	-	-	25
Auditors' remuneration					
- audit fees	-	4	-	4	11
- non-audit services	-	3	-	3	11
	-	8	-	8	64

ASTON COMMUNITY EDUCATION TRUST

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

10 Staff costs

	Total 2013 £'000	Total 2012 £'000
Staff costs during the period were		
Wages and salaries	6,062	7,657
Social security costs	466	590
Pension costs	1,026	1,088
	<u>7,554</u>	<u>9,335</u>
Supply staff	277	182
	<u>7,831</u>	<u>9,517</u>

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

	2013 No	2012 No
Charitable activities		
Teachers	90	81
Administration and support	67	59
Management	50	56
	<u>207</u>	<u>196</u>

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

	2013 No	2012 No
£60,001 - £70,000	3	11
£70,001 - £80,000	1	3
£80,001 - £90,000	-	4
£90,001 - £100,000	-	1
£120,001 - £130,000	1	-
£150,001 - £160,000	-	1

The above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £55,655.

11 Related party transactions – Trustee's remuneration and expenses

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows: E Newton (Principal of Aston and Trustee) £135,000-£140,000 (2012: £150,000-£155,000 16 months). This is inclusive of all on costs. During the year ended 31 August 2013, £nil (2012: £nil) travel and subsistence expenses were reimbursed to Trustees.

ASTON COMMUNITY EDUCATION TRUST

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

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £925 (2012 £925)

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

13 Tangible fixed assets

	Long leasehold land and buildings £'000	Fixtures fittings and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2012	13,435	216	624	51	14,326
Additions	719	9	207	-	935
Disposals	-	-	(149)	-	(149)
At 31 August 2013	<u>14,154</u>	<u>225</u>	<u>682</u>	<u>51</u>	<u>15,112</u>
Depreciation					
At 1 September 2012	617	35	324	17	993
Charged in the year	568	27	170	8	773
Disposals	-	-	(149)	-	(149)
At 31 August 2013	<u>1,185</u>	<u>62</u>	<u>345</u>	<u>25</u>	<u>1,617</u>
Net book value					
At 31 August 2013	<u>12,969</u>	<u>163</u>	<u>337</u>	<u>26</u>	<u>13,495</u>
At 31 August 2012	<u>12,818</u>	<u>181</u>	<u>300</u>	<u>34</u>	<u>13,333</u>

14 Stock

	2013 £'000	2012 £'000
Computer consumables	5	11
Stationery and books	31	-
	<u>36</u>	<u>11</u>

ASTON COMMUNITY EDUCATION TRUST

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

15 Debtors

	2013 £'000	2012 £'000
Trade debtors	1	-
VAT recoverable	145	152
Prepayments and accrued income	243	236
	<u>389</u>	<u>388</u>

16 Creditors

	2013 £'000	2012 £'000
Trade creditors	489	619
Taxation and social security	146	139
EFA creditor abatement of GAG	51	2
Other creditors	109	12
Accruals and deferred income	218	157
	<u>1,013</u>	<u>929</u>

Deferred income

	2013 £'000
Deferred income at 1 September 2012	80
Resources deferred in the year	165
Amounts released from previous years	(80)
Deferred income at 31 August 2013	<u>165</u>

At the balance sheet date, the Academy Trust was holding in advance £89,000 of capital grants, £17,000 of the 16-19 Bursary Fund and £59,000 of the GAG insurance grant

ASTON COMMUNITY EDUCATION TRUST

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

17 Funds

	At 31 August 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2013 £'000
Restricted general funds					
General Annual Grant (GAG)	507	9,860	(9,404)	(272)	691
Other DfE/EFA grants	-	432	(432)	-	-
Other government grants	-	29	(29)	-	-
Other grants	-	8	(8)	-	-
Other income	-	2	(2)	-	-
Activities for generating funds	-	229	(216)	-	13
Transfer on conversion	-	11	(11)	-	-
Pension reserve	(2,050)	-	-	(42)	(2,092)
	<u>(1,543)</u>	<u>10,571</u>	<u>(10,102)</u>	<u>(314)</u>	<u>(1,388)</u>
Restricted fixed asset funds					
Assets transferred on conversion	11,660	-	(608)	(111)	10,941
DfE/EFA capital grants	56	509	(13)	-	552
Capital expenditure from GAG	376	-	(120)	409	665
Other grants	1,258	-	(32)	111	1,337
	<u>13,350</u>	<u>509</u>	<u>(773)</u>	<u>409</u>	<u>13,495</u>
Total restricted funds	<u>11,807</u>	<u>11,080</u>	<u>(10,875)</u>	<u>95</u>	<u>12,107</u>
Unrestricted funds					
Unrestricted funds	329	42	-	-	371
Total unrestricted funds	<u>329</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>371</u>
Total funds	<u>12,136</u>	<u>11,122</u>	<u>(10,875)</u>	<u>95</u>	<u>12,478</u>

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

General Annual Grant

The General Annual Grant (GAG) fund has been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Other DfE/EFA grants

This includes the 16-19 Bursary Fund, the WGA assistance grant, the pupil premium funding, the insurance grant, a PE teacher grant, a Building Teaching Schools Capacity Support grant, a Teacher Training grant, and a National Leader of Governance grant.

The 16-19 Bursary fund is to be used for providing additional support for financially disadvantaged sixth form students.

The WGA assistance grant is to be used to cover the cost of support staff and external financial assistance in preparing the WGA return.

ASTON COMMUNITY EDUCATION TRUST

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

17 Funds (continued)

The Pupil Premium is additional funding given to Academies so that they can support their disadvantaged pupils and close the attainment gap between them and their peers

The insurance grant is funding received to cover the cost of insuring the Academy Trust

The PE teacher grant was funding for the release of a PE teacher from timetable for one day a week to provide specialist PE and sport support to local schools and within their own Academy, to embed good practice, and to provide more competitive sport for all pupils

The Building Teaching Schools Capacity Support grant is funding to be used for strengthening strategic partnerships, developing further governance capacity over a group of schools/Academies, greater provision of continuing professional development (CPD) and leadership development, and building on support for other Academies/schools

The teacher training grant is received from the National College for Teaching and Leadership (NCTL) to provide initial teacher training for newly qualifying teachers

The National Leader in Governance grant is to be used to support chairs of Governors in other schools or Academies to help raise standards

Other government grants

This includes special educational funding and an Apprenticeship Grant for Employers (AGE)

The special educational funding is to be used to provide support and facilities for pupils with special educational needs

The Apprenticeship Grant for Employers (AGE) funding is to be used towards the wage cost of a newly recruited apprentice as provided by the Workforce Development Fund which is a funding stream of the Department of Health

Other grants

Other grants includes a grant from the Youth Sport Trust which is to be used to improve the quality, and extend the provision of, physical activity for disabled pupils

Other income

Other income includes amounts received in respect of exam board release vouchers

Activities for generating funds

Activities for generating funds includes income for hire of facilities, money collected for trips/books etc and cover for teachers

Restricted general funds have been spent in line with the terms of the Master Funding Agreement. Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the Academy Trust.

A total of £409,000 has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Accounts Direction 2013.

The restricted pension fund is in deficit to the value of £2,092,000 as at 31 August 2013. However this deficit has been inherited upon conversion to Academy status. The Trustees will continue to monitor this situation closely.

Funds attributable to each Academy

The funds attributable to each academy are as follows: Aston Academy £10,856,000 and Thurcroft Junior Academy £1,622,000.

ASTON COMMUNITY EDUCATION TRUST

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

The expenditure attributable to each Academy is as follows

	Aston £'000	Thurcroft £'000	Total 2013 £'000	Total 2012 £'000
Teaching and educational staff	5,488	350	5,838	7,320
Other support staff	1,759	234	1,993	2,194
Educational supplies	87	6	93	164
Other costs	2,542	409	2,951	3,503
	<u>9,876</u>	<u>999</u>	<u>10,875</u>	<u>13,181</u>

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	13,495	13,495
Current assets	371	1,717	-	2,088
Current liabilities	-	(1,013)	-	(1,013)
Pension scheme liability	-	(2,092)	-	(2,092)
Total net assets	<u>371</u>	<u>(1,388)</u>	<u>13,495</u>	<u>12,478</u>

19 Capital commitments

	2013 £'000	2012 £'000
Contracted for but no provided in the financial statements	<u>224</u>	<u>29</u>

The Academy Trust has secured capital grant funding to cover the cost of the above project

ASTON COMMUNITY EDUCATION TRUST

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

20 Financial commitments

Operating leases

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

	2013 £'000	2012 £'000
Other		
Expiring within one year	1	1
Expiring within two and five years inclusive	48	53

The total amounts payable under the above non-cancellable operating leases are as follows

	2013 £'000	2012 £'000
Other		
Expiring within one year	51	54
Expiring within two and five years inclusive	27	65

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

	2013 £'000	2012 £'000
Net income	247	12,413
Depreciation (note 13)	773	993
Loss on disposal of fixed assets	-	111
Interest receivable	(3)	(3)
FRS17 pension cost less contributions payable (note 27)	58	(14)
FRS17 pension finance income (note 27)	79	92
Assets transferred on conversion	(11)	(11,047)
Decrease in stocks	(25)	(11)
Increase in debtors	(1)	(388)
Increase in creditors	84	929
Net cash inflow from operating activities	1,201	3,075

22 Returns on investments and servicing of finance

	2013 £'000	2012 £'000
Interest received	3	3
Net cash inflow from returns on investment and servicing of finance	3	3

ASTON COMMUNITY EDUCATION TRUST

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

23 Capital expenditure and financial investment	2013	2012
	£'000	£'000
Purchase of tangible fixed assets	(935)	(1,983)
Capital grants from DfE/YPLA	-	-
Net cash outflow from capital expenditure and financial investment	(935)	(1,983)

24 Analysis of changes in net funds	At 1 September	Cash flows	At 31 August
	2012		2013
	£'000	£'000	£'000
Cash at bank and in hand	1,383	280	1,663

25 Contingent liabilities

There are no contingent liabilities at the year end

26 Members' liability

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

27 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer Limited Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers Pension Scheme

Introduction

The Teacher's Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teacher's Pension 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

ASTON COMMUNITY EDUCATION TRUST

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

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 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.

ASTON COMMUNITY EDUCATION TRUST

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

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 Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust 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 Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £337,000, of which employer's contributions totalled £249,000 and employees' contributions totalled £88,000. The agreed rates for future years are 11.9% for employers and 5.5% to 7.5% for employees.

The Academy Trust has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. These amount to £5,825 for Aston Academy and £1,150 for Thurcroft Junior Academy to be paid monthly during the period September 2013 to March 2014. The Academy Trust will continue to make additional contributions after March 2014, however the rates have not yet been agreed.

Principal actuarial assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.15%	4.05%
Rate of increase in pensions	2.40%	2.30%
Discount rate for scheme liabilities	4.60%	4.50%
Inflation assumption (CPI)	2.40%	2.30%

ASTON COMMUNITY EDUCATION TRUST

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

Sensitivity analysis

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

	Central £'000	Sensitivity 0 1% p.a discount rate £'000	Sensitivity 0 1% p.a inflation rate £'000	Sensitivity 1 year increase in life expectancy £'000
Liabilities	3,807	3,719	3,897	3,875
Assets	(1,715)	(1,715)	(1,715)	(1,715)
Deficit	2,092	2,004	2,182	2,160
Projected service cost for next year	307	297	316	314
Projected expected return on assets for next year	(110)	(110)	(110)	(110)
Projected interest cost for next year	184	184	189	187

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

	2013 Years	2012 Years
<i>Retiring today</i>		
Males	21.8	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	23.7	23.6
Females	26.6	26.5

ASTON COMMUNITY EDUCATION TRUST

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

The Academy Trust'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 £'000	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000
Equities	7.00%	1,044	7.00%	797
Government bonds	3.40%	236	2.50%	178
Other bonds	4.40%	113	3.40%	100
Property	5.70%	163	6.00%	117
Cash/liquidity	0.50%	34	0.50%	32
Other	7.00%	125	7.00%	-
Expenses deduction	0.22%	-	0.22%	-
Total market value of assets		1,715		1,224
Present value of scheme liabilities				
- Funded		(3,807)		(3,274)
Deficit in the scheme		(2,092)		(2,050)

The expected rate of return on plan assets is based on market assumptions, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual classes weighted by the proportion of the assets in the particular asset class.

The actual return on scheme assets was £173,000 (2012: £74,000).

Amounts recognised in the statement of financial activities

	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	307	250
Past service cost	-	-
Total operating charge	307	250

Analysis of pension finance income

Expected return on pension scheme assets	77	62
Interest on pension liabilities	(156)	(154)
Pension finance income	(79)	(92)

The actuarial gains and losses for the current year are recognised in the statement of financial activities amounting to a £95,000 gain (2012: £249,000 loss). The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £154,000 loss (2012: £249,000 loss).

ASTON COMMUNITY EDUCATION TRUST

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

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

	2013 £'000	2012 £'000
At 1 September	3,274	2,505
Current service cost	307	256
Interest cost	156	158
Employee contributions	88	96
Actuarial (gain)/loss	-	259
Benefits paid	(18)	-
Past service cost	-	-
Curtailments and settlements	-	-
At 31 August	3,807	3,274

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

	2013 £'000	2012 £'000
At 1 September	1,224	810
Expected return on assets	77	64
Actuarial gain/(loss)	95	(18)
Employer contributions	249	272
Employee contributions	88	96
Benefits paid	(18)	-
At 31 August	1,715	1,224

The estimated value of employer contributions for the year ended 31 August 2014 is £263,000

ASTON COMMUNITY EDUCATION TRUST

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

The history of experience adjustments is as follows

	2013 £'000	2012 £'000
Present value of defined benefit contributions	(3,807)	(3,274)
Fair value of share of scheme assets	1,715	1,224
Deficit in the scheme	<u>(2,092)</u>	<u>(2,050)</u>
Experience adjustments on share of scheme assets Amounts £'000	95	(18)
Experience adjustments on scheme liabilities Amounts £'000	-	-

28 Related party transactions

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

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