

Company Registration No. 07577113 (England and Wales)

ASTON COMMUNITY EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

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ASTON COMMUNITY EDUCATION TRUST

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ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

J Barton (Chair of Directors/Trustees)
P Bennett (Resigned 18 July 2016)
R Dyson
J Long (Resigned 15 February 2016)
E Newton (Accounting Officer)
J Swift
C Kinsella (Appointed 6 June 2016)

Members

J Barton
R Dyson
P Bennett
E Newton (Resigned 18 July 2016)
J Swift (Resigned 18 July 2016)
J Long (Resigned 15 February 2016)

Senior management team

- CEO/Accounting Officer	E Newton
- Associate Principal	R Scutt
- Associate Principal	D Richardson
- Associate Principal	D Simpson
- Associate Principal	R Hibberd
- Associate Principal	J Sanigar
- Associate Principal	D Curran
- Trust Improvement Leader	L Selkirk

Company registration number

07577113 (England and Wales)

Registered office

Aston Academy
Aughton Road
Swallownest
Sheffield
South Yorkshire
S26 4SF

Academies operated

Aston Academy
Thurcroft Junior Academy
Lowedges Junior Academy
Springwood Junior Academy
Aughton Junior Academy (from 1 October 2016)
Swinton Academy (from 1 October 2016)

Location

Rotherham
Rotherham
Sheffield
Rotherham
Rotherham
Rotherham

Head of Academy

E Newton
D Richardson
R Scutt
D Simpson
E Swindells
J Morrison

ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2016

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 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates one secondary, the founding academy of the Academy Trust, and three junior academies in South Yorkshire. The Academy Trust will grow from 1 October 2016 when one secondary school and one primary school are scheduled to join the Academy Trust. Academies within the Academy Trust range across all phases of main stream education from Early Years through to Post 16. The number of pupils within the academies are shown below and the list is in the order in which schools joined the Academy Trust:

Aston Academy	Y7 – Y11:1455	Post 16: 232
Thurcroft Junior Academy	Y3 – Y6: 215	
Lowedges Junior Academy	Early Years: 69	Y1 – Y6: 279
Springwood Junior Academy	Y1 – Y6: 174	

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 within the remit of the Board of Directors.

Following a review earlier in the year, there has been change to the structure of the Academy Trust to provide more definition and to support capacity for further growth within the Academy Trust and recognising the changing obligations of Multi-Academy Trust (MAT) boards, in line with DfE requirements.

The Directors undertake their responsibilities 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.

The current structure of the Academy Trust is as follows:

Members:

- Three (no employees of the Academy Trust and no Local Authority (LA) links)

Trustees/Directors:

- Five (potentially up to ten and includes the CEO)

Local Governing Body:

- Senior Academy - Up to fourteen (including 2 Parent Elected and the Associate Principal)
- Junior Academies - Nine (including 2 Parent Elected and the Associate Principal)

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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance provided at the Charitable Company's expense via the Risk Protection Arrangement, 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 £10,000,000.

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 5 and they may appoint up to 10 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.

There are also 14 people who fulfil the role of Local Governing Body for Aston Academy, 9 people who fulfil the role of Local Governing Body for Thurcroft Junior Academy, 8 people (1 vacancy) who fulfil the role of Local Governing Body for Lowedges Junior Academy, and 9 people who fulfil the role of Local Governing Body for Springwood Junior Academy. The Local Governing Bodies 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 junior academies in the Academy Trust; these are Thurcroft Junior Academy, Lowedges Junior Academy and Springwood Junior Academy.

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".

All new trustees are required to be interviewed by the board of Trustees. They must provide references and have specific skills and experience which the Academy Trust can benefit from.

Policies and procedures adopted for the induction and training of Trustees

We recognise the positive contribution that Trustees and Governors can and do 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 Academy 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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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 Trustees approve the annual budget and monitor the use of the budget via reports presented in half termly Trustee and Local Governing Body (LGB) meetings. The Senior Leadership Team comprising of the CEO/Executive Principal, five Associate Principals, three Vice Principals, an ACET Improvement Leader and an ACET Inclusion Leader, manage the Academies and implement the policies approved by the Trustees.

The CEO fulfils the role of Accounting Officer in addition to which the following powers are delegated 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 Academy staff.

Finance

- Purchases of goods and services up to £10,000 providing the market has been tested and the principles of best value applied;
- Purchases of goods and services over £10,000 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; and
- 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 Trustee committee; approval of the tenders to include at least 1 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.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management personnel is reviewed annually via the appraisal process and in line with the annually reviewed and revised Pay Policy. Pay and remuneration of the CEO is reviewed annually by the pay review panel consisting of 3 members. In line with the latest DfE guidance there are no members who are employed by the Academy Trust, with the exception of the CEO who was a member up until 18 July 2016.

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 endeavour to maintain close and mutually beneficial relationships with other local MAT's. We are rapidly developing such a relationship with the two schools who will join the Academy Trust on 1 October 2016.

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.
-

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

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 3 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.

Objectives, 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 continues to be one of the highest performing academies/schools within the Rotherham Education Authority and is currently rated "Good" by OFSTED. It is also a specialist Academy for maths and computing. The Academy Trust as a whole has developed both expertise and capacity and all academies in the Academy Trust share in and benefit from the flexibility this provides. 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 continuous drive to improve achievement across the key stages, 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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Continuing priorities across all academies in the trust include:

- To ensure that leadership at all levels focuses relentlessly on securing effective teaching to ensure high outcomes in 'progress to target'
- To ensure that teaching, learning and accurate assessment supports and challenges ALL learners to make sustained and substantial progress so that outcomes are well above national standards
- To ensure that the achievement of the **disadvantaged cohort** is improving towards that of other pupils nationally
- To ensure that there is a consistent approach to student behaviour management which includes further opportunities for praise and reward
- To review the provision for those students with the most challenging needs
- To ensure that attendance and punctuality continue to improve
- Continue to improve the effectiveness of LEADERSHIP AND MANAGEMENT
- Continue to improve TEACHING, LEARNING AND ASSESSMENT
- Ensure a consistent approach to Personal Development, Behaviour and Welfare
- To develop independent learning and outstanding teaching across the Academy Trust
- To continue to sustain and improve standards of achievement in all key stages for ALL students/pupils; closing the Pupil Premium gap more rapidly and improving performance in English
- 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 evaluate, develop and improve Post 16 provision, improve recruitment and retention and to raise the profile of Post 16 students, providing role models for younger students
- To continue to develop opportunities for students to develop as independent learners Post 16
- To ensure that there is a consistent approach to student/pupil behaviour management, that attendance continues to improve and that an engaging curriculum continues to cover a wide range of opportunities so that students/pupils are encouraged to adopt safe practices and deal sensibly with risk
- To ensure that leadership at all levels focuses relentlessly on progress to target and close the Pupil Premium gap; improving teaching and learning through sharper Monitoring and Evaluation Records (MER) and provision of targeted Continual Professional Development (CPD)
- To develop a positive culture through the promotion of students' emotional and mental well-being
- To continue to develop effective 'Continual Professional Development' opportunities throughout the Academy Trust
- To further improve the quality of accommodation across Academy Trust, continuing to take maximum advantage of funding opportunities such as Condition Improvement Fund
- 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.

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.

ASTON COMMUNITY EDUCATION TRUST

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FOR THE YEAR ENDED 31 AUGUST 2016

Strategic Report

Achievements and performance

Academies within the Academy Trust have continued working hard to build on our successes and our annual Aston Community Education Trust Awards Evening which took place in May was once again an outstanding event, celebrating all aspects of achievement across the Academy Trust and the first year when Springwood Junior Academy were represented and joined in with the celebrations alongside staff, students, parents/carers, Trustees, Directors, Governors and invited VIP's, all of whom thoroughly enjoyed the occasion as our wonderful young people claimed their awards.

Junior Academies

Thurcroft Junior Academy

Support for Thurcroft Junior Academy (TJA) continues to include preparation for Standard Attainment Tests (SATs) through the contribution to:

- the planning and delivery of booster sessions in both mathematics reading and Spelling, Punctuation and Grammar (SPaG) by Aston Academy staff;
- the compilation of writing portfolios, and the moderation of levels with support from Aston English faculty staff;
- Additional exam invigilation from Aston Academy in order that TJA staff could focus on student support where needs identified;
- the provision of additional examination access arrangements:- scribes readers examination administration from Aston Academy during SATs week to support examination timetable changes; and
- the provision of breakfast each morning for pupils in Y6 during the week of the SATs to prepare fully for the examination.

By using additional funding, we appointed an Inclusion Manager to direct the work of three Assistant Inclusion Managers in monitoring numeracy, literacy behaviour across the Academy.

There has been a continuing emphasis on improving attendance supported by a range of strategies including the intervention of our Education Welfare Officer (EWO), these have proved successful in improving attendance. This work is coordinated by an Assistant Inclusion Manager. Attendance has improved with additional support from the ACET EWO. Attendance for the academic year was 95.7% which was above the national standard for primary schools (95.5%).

Thurcroft Junior Academy have benefitted from the work of two commissioned Educational Psychologists from ACET in the preparation of statutory reports to support pupils moving towards full statutory assessment.

Y3 students from a range of abilities have been involved in 'pupil voice' interviews with a senior leader and provided their views on a range of questions, including 'Do you enjoy coming to school?'; 'Do you feel safe at school?' and 'Do staff deal with any problems you have?'. Pupil views were overwhelmingly positive in their answers to these questions, all pupils commented that they did enjoy coming school, all felt safe and secure and a very high percentage of pupils felt that staff dealt with any problems that they had.

The senior leaders from Aston have conducted three 2 day Academy reviews in order to monitor levels of progress, quality of teaching, management of behaviour and the quality of leadership.

Sporting fixtures and competitions have been supported by Aston staff, with transport provided to allow pupils to engage in sport across the county and at other local schools. Pupils from the Academy have taken part in arts celebrations, ACET choir and dance evenings requiring additional adult supervision after school, with transport provided by Aston.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

There have been a number of 'Rewards & Celebration' events throughout year, with certificates awarded for 100% attendance. Parents have attended award ceremonies for impeccable behaviour each half term. In July there was our inaugural Y6 Graduation Event, providing an opportunity for parents/carers to attend a ceremony during which all pupils, had an opportunity to process in cap and gown, receive certificates marking the end of KS2 and their achievements, followed by 'afternoon tea' for everyone. The event was very well received by all who had an opportunity to attend and provided a unique and positive way of celebrating and marking the transition of our pupils to the next important stage of their education. A new introduction was the Oscars event to recognising the attainment of pupils.

Aston ICT team provide quality CPD for staff using any new systems and software. This support has enabled the academy to invest in a new library software system to promote the progress of reading, and a 'Classwatch' system to improve teaching within the classrooms. The team also manage, and direct the making any promotional videos, maintain staff IT equipment, do the filming for school events, update and develop the school website.

Lowedges Junior Academy

Support for LJA 2015-16 included the following:

Curriculum

- Mathematics support from a senior leader at Aston Academy to monitor standards of teaching in upper KS2 and deliver intervention support to the most able pupils.
- Support for the delivery of PE and coaching of a new member of PE staff from a specialist PE teacher at Aston Academy.
- Coaching support from the Creative Director to model to NQTs the teaching of art skills and technique. This was for the duration of the academic year.
- For the duration of the academic year, one day a week support for developing the teaching profile across the academy from a senior leader at Springwood Junior Academy. The focus was on NQT development or for staff who were in single form entry year groups.
- Invigilation support from the CEO and another senior leader from Aston Academy during the KS2 SATs week.
- NQT support from the member of staff with responsibility for managing NQTs across the Academy Trust. This involved half-termly formal observations and written assessment reports.

Attendance

- Proactive support from the Academy Trust EWO who home-visited families on the second day of absence where no contact could be established from the Academy office staff. A vast amount of the EWO's time was used to liaise with relevant attendance officers and other personnel from Sheffield Local Authority (e.g. traveller liaison officer). The EWO also supported termly attendance panel meetings and liaised with the Assistant Inclusion Manager to ensure relevant letters were sent out to parents/carers.
- Support from the ACET Attendance Senior Leader who met with the Associate Principal to offer alternative strategies /projects to implement in order to improve the Academy's attendance.

Administration

- Weekly support for office staff to ensure routines and procedures were in place and in-line with other academies within the Academy Trust.
- Cover for the office during staff absence.
- Organisation of the Y6 graduation event.
- Half-termly support with the management of data retrieval and uploads to the Local Authority /DfE.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Leadership

- Support from the Academy Improvement Partner to ensure the action plan and audit and evaluation were in place and fit for purpose.
- Support from the Academy Trust SENCo to further implement and recruit staff for the inclusion team. Support for the Inclusion Manager in the form of in-house training and record keeping.
- Cover from January-May for the Inclusion Manager.
- Support from a member of the leadership team at Springwood Junior Academy to share good practice with the newly appointed Foundation Stage Lead Learner.

Springwood Junior Academy

Support for Springwood Junior Academy (SJA) in 2015-16 focused on preparation for Standard Attainment Tests (SATs) through the contribution to:

- the planning and delivery of more able maths booster sessions, for pupils across all ACET primary academies including SJA;
- the planning and delivery of general booster sessions in both mathematics reading and SPaG by SJA staff;
- Aston Academy staff and Teach First students supported elements of literacy and numeracy teaching in the lead up to SATs, enabling the cohort to be split into small bespoke groups;
- Additional exam invigilation from Aston Academy in order that SJA staff could focus on student support where needs identified; and
- Support from ACET's Inclusion Team in preparing and submitting 'additional time' requests, compiling evidence folders for pupils requiring specific provision during SATs week, and supporting the grouping of pupils taking the tests.

By using additional funding, we appointed an Inclusion Manager and an Assistant Inclusion Manager (internal promotions) to assist SJA's SENCo in providing high quality provision for vulnerable pupils. This has been supported by ACET's Inclusion leader and Thurstoft's Inclusion Manager.

There has been a continuing emphasis on improving attendance, supported by a range of strategies including the intervention of ACET's EWO; these have proved successful in improving attendance. This work was coordinated by SJA Associate Principal and Attendance Lead Teacher.

Springwood Junior Academy also benefitted from the work of a commissioned Educational Psychologist from ACET in the preparation of statutory reports and assessments of individuals with complex needs.

The senior leaders from Aston have conducted regular 2 day reviews of the junior academy in order to monitor levels of progress, quality of teaching, management of behaviour and the quality of leadership.

PE teaching has been provided across school by Aston Academy PE staff, and has enabled SJA Planning, Preparation and Assessment (PPA) time to be specifically timetabled throughout the week.

Access to Aston Academy mini bus transport has allowed savings to be made with regard to educational visit costs to parents, as well as providing transport to sports fixtures.

Pupils across SJA have been involved in 'pupil voice' interviews with a senior leader and provided their views on a range of questions, including 'Do you enjoy coming to school?'; 'Do you feel safe at school?' and 'Do staff deal with any problems you have?'. Pupil views were overwhelmingly positive in their answers to these questions, all pupils commented that they did enjoy coming school, all felt safe and secure and a very high percentage of pupils felt that staff dealt with any problems that they had.

There have been a number of 'Rewards & Celebration' events throughout the year, with certificates awarded for 100% attendance and on a sliding scale down to 95% (these were already in place at SJA but have been supported by visits from 'Ace the Bear'. Parents have attended award ceremonies for impeccable behaviour each half term – 'Excel Awards'. In July there was our inaugural Y6 Graduation Event, providing an opportunity

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

for parents/carers to attend a ceremony during which all pupils, had an opportunity to process in cap and gown, receive certificates marking the end of KS2 and their achievements, followed by an ice cream tea for everyone with Graduation photos. The event was very well received by all who had an opportunity to attend and provided a unique and positive way of celebrating and marking the transition of our pupils to the next important stage of their education. Late April also marked SJA's ACET/SJA 'Oscars' awards ceremony, closely followed by SJA's inaugural involvement in the ACET Awards night; both events were warmly received by parents and were fantastic opportunities to celebrate the success of SJA pupils.

Senior Academy

School Centred Initial Teacher Training

From September 2015 to August 2016 Aston Academy continued to be a member of the Yorkshire Three Counties Alliance SCITT (School Centred Initial Teacher Training), contributing training places and expertise in training between thirty and fifty student teachers across various school/academies.

School Direct

Our School Direct Cluster in partnership with the University of Sheffield continued to be very successful from Sept 2015 to August 2016, with 14 trainees being trained by the University in partnership with seven schools, led by Aston. 12 successfully completed their placements and qualified as teachers, and 2 of the trainees withdrew for personal reasons; the Cluster partnership will continue into September 2016 and we are sure this initiative will continue to go from strength to strength. Our partnership of schools also works with Sheffield Hallam University to train teachers in subject areas not offered by the University of Sheffield. Last year we trained 2 trainees; who both successfully completed their training. From September 2015 to August 2016 we received 96 applications and successfully recruited 24 School Direct trainees for the 2016-2017 academic year.

Year 11 2015-2016

The percentage of students achieving A* - C including Maths and English (71%) are slightly above that achieved last year and this remains well above national figures for 2015.

Measure	2016 result
Progress 8	+0.09
Attainment 8	5.29
% of pupils achieving A*-C in English and Maths	71%
% of pupils achieving the English Baccalaureate	31.84%
% of pupils entering the English Baccalaureate	48.57%

Year 13 Outcomes 2016

We are very pleased with Year 13 outcomes this year. There were many outstanding individual performances and overall results, based on initial analysis, are well above national averages. There were particularly outstanding performances in Psychology, Sociology, Geography and General Studies.

Outcomes are as follows:

	Targets (A Level and BTEC combined) %	Targets (A2 only)%	Outcomes A Level and BTEC combined%	Outcomes A Level only %	National (A Level only)%	
A*/A	30.53	19	31.6	20.3	25.8	
A*-B	54.96	46.6	59.4	54.3	52.9	
A*-C	84.35	81.4	86	82.7	77.6	
A*-D	100	100	96.8	96.4	92.2	

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Although performance at A*/A is below national, only 19% of entries were targeted at A*/A (based on prior attainment). However 20.3% of entries were graded at A*/A, indicating excellent progress for this cohort.

Value Added Performance (A Level Performance System Grades): five year trend:

2016	2015	2014	2013	2012	
3 (Excellent performance)	4	3	5	6	

Year 13 Progression 2016:

Higher Education	College	Apprenticeship	Employment	University entry 2017	
81%	2%	10%	5%	2%	

A number of our Y13 students achieved outstanding success at A2 and some of these are shown in anonymised form below.

Student	Final Grades achieved
1	A*A*A*A*A*
2	A*A*AAB
3	A*A*A*A*
4	AAAB
5	A*A*AB
6	A*ABB
7	A*A*BC
8	AAB
9	ABB
10	ABB

Progression to Higher Education, Employment and Apprenticeship

Progression to Higher Education: 75 (81%)

Employment/apprenticeship: 15 (15%)

Further level 3 studies: 3 (4%)

Whole Trust

Premises

During the period, notable improvements to teaching and learning environments have been completed, safety and security measures reinforced, and accessibility to the in-house first aid training programme extended across the Academy Trust.

There has been major redevelopment work across the Academy Trust sites which includes the conversion of the bungalow at Springwood into ACET House, and an office and conference facility for use by ACET staff, Directors and Governors. In addition, significant and extensive programmes of refurbishment and redecoration, to support school improvement strategies, have been completed during the summer break, including the upgrade of 22 classrooms, and a number of associated work areas, offices, and communal areas.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The specialist area of science has been a particular focus with the redesign and refitting of two laboratories to incorporate up to date services and reflect modern day standards. A new brazing hearth was installed in Design Technology to replace its obsolete predecessor.

Improvements to outdoor play provision have been commissioned to enliven some of the large yard areas and provide further opportunities for creative play and team games.

Building work has been high on the list of priorities with the replacement of an old and problematic prefabricated building at Aston with its current day modular equivalent. Chimney stacks at Thurcroft showing signs of cracking have been lowered and repointed and internal areas of concrete roofing at Lowedges have been repaired and ceilings re-plastered.

Phased improvement work to replace and re-pipe a number of main water storage tanks has been completed during the year which has significantly improved water quality to the associated areas.

Safety and security continue to be areas of development with the installation of compounds to ensure the segregation of skips and safe management of waste and additional fencing in key areas.

Successful Condition Improvement awards, supported by Salix funding at Thurcroft, have resulted in low level lighting, in classrooms, corridors and work areas, being replaced with new fittings at current recommended Lux levels and will facilitate much needed roofing repairs at Lowedges, which will be completed by March 2017.

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 (EWO) monitors the attendance of our vulnerable cohorts including students 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)
- After school clubs, Extended Learning Task clubs and sporting activities
- Transport
- Summer school for Pupil Premium students for 10 days
- School uniform
- Extra-curricular support for Mathematics and English
- English as an Additional Language (EAL) translators to support students in school who do not speak English

Booster classes and enhanced staffing in Maths and English have been funded from the Pupil Premium Grant. Intensive one to one literacy and numeracy support programmes have also been provided for students within the disadvantaged cohort across Key Stages 3 and 4.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

Also using Pupil Premium funding, examination access arrangements have been put in place to support disadvantaged students, and academy transport has been provided throughout the year to ensure full access to the curriculum for all students within this cohort. A range of alternative vocational courses were accessed by students in receipt of pupil premium during 2015 - 16 in addition to bespoke off-site provision where required.

Year 7 literacy and numeracy catch-up premium

In Year 7, all students that achieved below Level 4 in their KS2 SATs reading test have been highlighted by inclusion and are having Toe-by-Toe and Rapid Plus Reading Intervention during registration periods each week. Additional students in Lower School who need this intervention are also involved in the programme.

Each half term the progress of students is tracked and reading materials differentiated to meet the needs of students at the time. Rapid Plus is a programme that tracks a student's reading abilities and their ability not only to read words, but also to understand them – reading comprehension.

All Year 7 students have been involved in the New Group Reading Test (NGRT) and results are currently being analysed to identify additional students that may need literacy support.

The majority of students who arrive at the Academy with below Level 4 in reading and/or numeracy are placed in a specific pathway to support accelerated progress. The curriculum supports their literacy and numeracy development with additional Maths and English timetabled alongside other subjects. In class support is also more extensive within this pathway, enabling students to receive higher levels of 1:1 help and to make the desired learning progress.

PE and sports programme 2016

Aston Academy sport has once again had an outstanding year of sporting success that continues to be achieved across the growing Academy Trust.

At Key Stage 3, teams from Netball and Football reached the Rotherham Schools finals with the Year 9 boys being crowned Rotherham Schools Champions. The boys rugby teams had a very successful season picking up 2 tournament victories in Y7 & Y8 against schools in South Yorkshire.

Our girl's netball teams had an exceptional year coming out Rotherham Schools runners up in Y7, Y9, & Y11. Our girls Rounder's teams also came Rotherham, runners up in Y7, Y9 and Y10 with Aston Academy having the most teams represented in the finals in 2016.

Indoor Girls Cricket team qualified for the Yorkshire finals once again and played at Headingley eventually finishing runners up in Yorkshire. The Trampoline team also became champions of Rotherham. In Key Stage 5 both the Netball and Football teams had success with the girls reaching the Rotherham finals and finishing 3rd and the boy's football team reaching the semi-finals. Our Post 16 football academy had its first season playing in the Yorkshire league playing 22 fixtures home and away and having an impressive record of winning 16 games finishing 3rd in the league in their first season.

The Academy once again is full of sporting talent ranging from district, county, national and international level in Judo, Kick Boxing and Karate, a national standard swimmer reaching GB qualifying times, a cricketer selected for county representing Yorkshire, a national standard figure skater and students selected for South Yorkshire Schools rugby, football, hockey and netball.

Within our Junior Academies, teams from Thurcroft and Lowedges competed in partnership football, netball, basketball, rounders, athletics and cricket events representing the Academies with excellent sportsmanship and behaviour throughout.

Fundraising

Over £3,800 was raised during the academic year 2015-16. Events included:

- MacMillan Coffee Morning
- Fundraising for the British Heart Foundation

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

- Fundraising for Brake Road Safety Charity
- Student non uniform day
- Children in Need
- Bluebell Wood

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 benefits 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 Trust is also subject to scrutiny from external organisations. Information from across the trust is used to inform the annual Budget Forecast return; Whole Government Accounts return; and Financial Management and Governance Evaluation.

The outcomes of our key performance indicators are included in the 'achievements and performance' section above.

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.

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 the year ended 31 August 2016 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 2015). 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 the expected useful life of the assets concerned.

The Statement of Financial Activities for the year ended 31 August 2016 shows a surplus of £128,000 before actuarial pension adjustments, transfers and excluding the restricted fixed asset fund.

At 31 August 2016 the net book value of fixed assets was £16,310,000 and movements in tangible fixed assets are shown in note 12 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 2016

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 2016 the unrestricted reserves were £630,000 (2015: £493,000).

The restricted pension fund reserve is in deficit to the value of £5,763,000 (2015: £3,227,000). A significant portion of this deficit was inherited upon conversion to Academy status and the Trustees continue to monitor this situation closely and contribute an agreed yearly amount into the recognised deficit reduction scheme, for all academies in the Academy Trust.

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.

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:

- Changes to funding mechanisms at national level;
- Fluctuations in student number projections;
- Impact of parental choice;
- Management and continued reduction of the deficit within the South Yorkshire Pension Association scheme, via the continuing participation in the recognised deficit reduction scheme, managed through regular actuarial assessment;
- Impact of inflation and other similar factors outside the control of the Academy Trust; and
- Cash flow and liquidity.

Risks are reviewed at Leadership level and considered by the Academy Trust. Strategies to manage and mitigate risks include:

- Analysing the security of expected pupil/student numbers in future years;
- Promoting the recruitment of students in all key stages as widely as possible via a variety of media;
- Careful management of timetabling to ensure class numbers are not unsustainably low;
- Careful management of staffing levels by analysis of all potential vacancies to ensure there is genuine need for the vacancies to be filled;
- Regular review of support staff roles to ensure that the efficiencies offered by using new technology are taken into consideration;
- Continuous embedded process of analysing need and challenging the status quo in relation to resourcing across the Academy Trust;

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

- Developing the quality and quantity of in-house CPD;
- Ensuring external CPD is cascaded to all relevant staff; and
- Accessing and making use of energy saving technologies in areas such as lighting and heating wherever possible.

Employees

The academy systematically provides employees with information on matters of concern to them, consulting with them through a staff forum.

It is the Academy Trust's practice to facilitate the employment of disabled persons and to provide, whenever possible, opportunities for training, career development and promotion.

Plans for future years

The Academy Trust will continue to expand when suitable opportunities arise, taking into account current DfE guidance on the Academy Trust size and always mindful of ensuring sufficient capacity. The Academy Trust will be tenacious in its commitment to continuous improvement and the highest 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 we have well developed plans in place to support our students in relation to 'progress 8' and 'attainment 8'. Leadership will be relentless in providing resources and training to support an environment conducive to ensuring all students can and will achieve target and beyond. Our overarching commitment to providing a broad and balanced curriculum continues to be a key priority, as is our intention to support and enhance our core curriculum of Maths, English, Science, ICT and PE.

We are continuing with our programme of partnership with local special schools, providing enrichment opportunities for their students, students of Aston Academy, and pupils of Thurcroft Junior Academy, Lowedges Junior Academy and, going forward, Springwood Junior Academy will benefit from the programme.

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 all Academy sites which will provide immediate and long term benefit and we will continue to use identified funds within the Academy Trust to improve the building provision across the Academy Trust. Always mindful of careful management to minimise disruption to students and staff we believe this will further continue to 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.

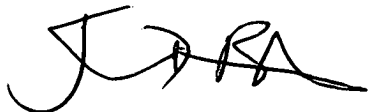
Statement as to disclosure of information to the auditor

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 12 December 2016 and signed on its behalf by:

J Barton
Chair of Directors



ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 CEO, 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. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	6	6
P Bennett (Resigned 18 July 2016)	6	6
R Dyson	6	6
J Long (Resigned 15 February 2016)	3	3
E Newton (Accounting Officer)	6	6
J Swift	6	6
C Kinsella (Appointed 6 June 2016)	1	1

The Academy Trust conducts an annual review of governance at the start of the academic year by requiring all Members, Directors and Governors to complete a document analysing training needs, from which a bespoke programme of training is developed and delivered throughout the year.

Under the direction of the Chair of the Trust, who is a National Leader in Governance, Trustees consider the level of skills across the Academy Trust and make any changes necessary to deployment on Local Governing Body's to ensure relevant skills levels remain appropriate across the Academy Trust.

The audit committee is a sub-committee of the main board of Trustees. Its purpose is to provide assurance over the suitability of, and compliance with, its financial systems and operational controls.

The committee's work focuses on providing assurances to the board of Trustees that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at the trust
- agreeing a programme of work to address, and provide assurance on, those risks.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	3	3
P Bennett (Resigned 18 July 2016)	3	3
R Dyson	3	3
J Long (Resigned 15 February 2016)	1	1
J Swift	3	3

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during through the following:

Catering

- During this year, one of our academies was coming to the end of a three year (inherited) catering agreement. As there had been issues during the period we already had reservations about renewal and these were compounded by confirmation from the providers that they would not consider a contract renewal of less than three years. Currently we have academies that span the geographical area of two Local Authorities and we have been able to negotiate with the provider from one of the areas to provide a catering contract outside the Local Authority in which they have historically worked. We have negotiated an initial one year contract, which is more cost effective per year, than the yearly cost of the three year offer from the previous provider. This will result in significant cost savings, together with the flexibility to review annually, and has given the new provider an opportunity to widen the area in which they are active.

Intervention

- During the year we have organised joint maths intervention sessions, delivered by the most experienced maths specialists within the trust, bringing together pupils from each of the junior academies across the trust. These sessions have allowed pupils in the junior academies to meet together and have equal access to very high quality, focussed intervention, designed to improve learning outcomes and increase their understanding of being part of a larger family of academies dedicated to improving their educational outcomes, resulting in an increased sense of belonging.

Staffing

- During the year there has been an increase in the 'sharing' of staff expertise across the trust. In general we have deployed experienced staff across the trust to cascade their expertise to less experienced staff and offer support as needed. A particular example has been where we have addressed issues of long term staff absence due to serious illness, by deployment of experienced staff from another academy in the trust. This has ensured that the standard of provision has been stable and has also reduced the financial impact.

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 2016 and up to the date of approval of the annual report and financial statements.

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016 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.

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 the external auditor, Hart Shaw LLP, and the information provided by them has been used to inform reports presented to the board of Trustees by the Audit Committee. Hart Shaw LLP's role, for this purpose, includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of the payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;
- testing of VAT reporting;
- testing of procedures for the recording of financials and reporting to governors; and
- review of catering contracts with external providers.

On a termly basis, Hart Shaw LLP reports to the board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The board of Trustees confirm that Hart Shaw LLP have delivered their schedule of work as planned. All recommendations for improvement have been implemented in a timely manner throughout the year.

Review of effectiveness

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

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

ASTON COMMUNITY EDUCATION TRUST

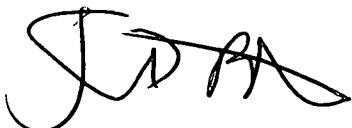
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses, if they arise, and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 12 December 2016 and signed on its behalf by:

J Barton
Chair of Directors/
Trustees



E Newton
Accounting Officer



ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

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 Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and 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's board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



E Newton
Accounting Officer

12 December 2016

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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 Directors' Report and the financial statements in accordance with the Annual Accounts Direction published 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:

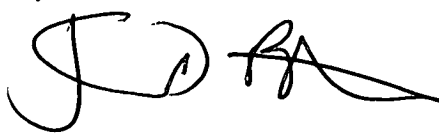
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 12 December 2016 and signed on its behalf by:


J Barton
Chair of Directors/Trustees

ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST

We have audited the accounts of Aston Community Education Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 23, the directors, who also act as trustees for the charitable activities of Aston Community Education Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

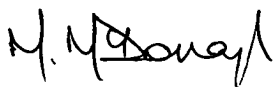
ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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

Chartered Accountants
Statutory Auditor
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 16 December 2016

ASTON COMMUNITY EDUCATION TRUST

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aston Community Education Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the 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 the Aston Community Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aston Community Education Trust's accounting officer and the 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements;
- 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 trust; and
- a detailed review of related parties to ensure trustees are not benefitting from transactions with the trust.

ASTON COMMUNITY EDUCATION TRUST

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hart Shaw LLP

Reporting Accountant

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

Dated: 16 December 2016

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
	Notes					
Income and endowments from:						
Donations and capital grants	2	-	-	187	187	474
Donations - transfer from local authority on conversion		69	-	-	69	2,464
Charitable activities:						
- Funding for educational operations	4	-	13,263	-	13,263	12,319
Other trading activities	3	87	-	-	87	50
Investments	5	3	-	-	3	3
Total income and endowments		<u>159</u>	<u>13,263</u>	<u>187</u>	<u>13,609</u>	<u>15,310</u>
Expenditure on:						
Raising funds	6	22	-	-	22	-
Charitable activities:						
- Educational operations	7	-	13,272	928	14,200	12,642
Total expenditure	6	<u>22</u>	<u>13,272</u>	<u>928</u>	<u>14,222</u>	<u>12,642</u>
Net income/(expenditure)		137	(9)	(741)	(613)	2,668
Transfers between funds		-	(729)	729	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(2,385)	-	(2,385)	(117)
Net movement in funds		137	(3,123)	(12)	(2,998)	2,551
Reconciliation of funds						
Total funds brought forward		493	(1,905)	16,292	14,880	12,329
Total funds carried forward		<u>630</u>	<u>(5,028)</u>	<u>16,280</u>	<u>11,882</u>	<u>14,880</u>

In the current year the Trust's activities derive from continuing operations. In the previous period the activities derived from both acquisitions and continuing operations.

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2015 £'000
	Notes				
Income and endowments from:					
Donations and capital grants	2	-	-	474	474
Donations - transfer from local authority on conversion		14	(619)	3,069	2,464
Charitable activities:					
- Funding for educational operations	4	-	12,319	-	12,319
Other trading activities	3	40	10	-	50
Investments	5	3	-	-	3
Total income and endowments		<u>57</u>	<u>11,710</u>	<u>3,543</u>	<u>15,310</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	11,771	871	12,642
Total expenditure	6	<u>-</u>	<u>11,771</u>	<u>871</u>	<u>12,642</u>
Net income/(expenditure)		57	(61)	2,672	2,668
Transfers between funds		-	(256)	256	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(117)	-	(117)
Net movement in funds		<u>57</u>	<u>(434)</u>	<u>2,928</u>	<u>2,551</u>
Reconciliation of funds					
Total funds brought forward		436	(1,471)	13,364	12,329
Total funds carried forward		<u>493</u>	<u>(1,905)</u>	<u>16,292</u>	<u>14,880</u>

ASTON COMMUNITY EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	16,310	16,216
Current assets			
Stocks	13	45	56
Debtors	14	641	526
Cash at bank and in hand		2,272	2,344
		2,958	2,926
Current liabilities			
Creditors: amounts falling due within one year	15	(1,459)	(933)
Net current assets		1,499	1,993
Total assets less current liabilities		17,809	18,209
Creditors: amounts falling due after more than one year	17	(164)	(102)
Net assets excluding pension liability		17,645	18,107
Defined benefit pension liability	19	(5,763)	(3,227)
Net assets		11,882	14,880
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		16,280	16,292
- Restricted income funds		735	1,322
- Pension reserve		(5,763)	(3,227)
Total restricted funds		11,252	14,387
Unrestricted income funds	18	630	493
Total funds		11,882	14,880

The accounts set out on pages 28 to 54 were approved by the board of Directors and authorised for issue on 12 December 2016 and are signed on its behalf by:

J Barton
Chair of Directors/Trustees

Company Number 07577113

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Net cash provided by operating activities	22	316	564
Cash funds transferred on conversion		69	14
		<u>385</u>	<u>578</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		3	3
Capital grants from DfE and EFA		187	467
Capital funding from sponsors and others		-	7
Payments to acquire tangible fixed assets		(715)	(594)
Proceeds from sales of tangible fixed assets		2	4
		<u>(523)</u>	<u>(113)</u>
Cash flows from financing activities			
New long term loan		66	109
		<u>66</u>	<u>109</u>
Change in cash and cash equivalents in the reporting period		<u>(72)</u>	<u>574</u>
Cash and cash equivalents at 1 September 2015		2,344	1,770
Cash and cash equivalents at 31 August 2016		<u><u>2,272</u></u>	<u><u>2,344</u></u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Aston Community Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These accounts for the year ended 31 August 2016 are the first accounts of Aston Community Education Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 28.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Directors' have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

1.2 Going concern

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.3 Conversion to an academy trust

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

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

1.4 Income

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

Grants receivable

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, Directors' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets, other than assets under construction, 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 the buildings up to 50 years
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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 Directors.

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.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Directors have established that there are no critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	187	187	470
Other donations	-	-	-	4
	<u>-</u>	<u>187</u>	<u>187</u>	<u>474</u>

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	5	-	5	3
Consultancy	6	-	6	5
Training courses	16	-	16	32
External school support	22	-	22	-
Cover for teachers	38	-	38	10
	<u>87</u>	<u>-</u>	<u>87</u>	<u>50</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	11,783	11,783	11,053
Start up grants	-	70	70	45
Other DfE / EFA grants	-	965	965	751
	<u>-</u>	<u>12,818</u>	<u>12,818</u>	<u>11,849</u>
Other government grants				
Local authority grants	-	150	150	216
	<u>-</u>	<u>150</u>	<u>150</u>	<u>216</u>
Other funds				
Other incoming resources	-	295	295	254
	<u>-</u>	<u>295</u>	<u>295</u>	<u>254</u>
Total funding	<u>-</u>	<u>13,263</u>	<u>13,263</u>	<u>12,319</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	3	-	3	3

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	8,798	1,150	904	10,852	9,668
- Allocated support costs	1,561	881	906	3,348	2,974
	10,359	2,031	1,810	14,200	12,642
Other expenditure					
Raising funds	-	-	22	22	-
Total expenditure	10,359	2,031	1,832	14,222	12,642

Net income/(expenditure) for the year includes:

	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	16	13
- Other services	4	3
Operating lease rentals	50	54
Depreciation of tangible fixed assets	930	871
Gain on disposal of fixed assets	(2)	-

7 Charitable activities

	2016 £'000	2015 £'000
All from restricted funds:		
Direct costs - educational operations	10,852	9,668
Support costs - educational operations	3,348	2,974
	14,200	12,642

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

(Continued)

	2016 £'000	2015 £'000
Analysis of support costs		
Support staff costs	1,561	1,451
Premises costs	881	731
Other support costs	880	765
Governance costs	26	27
	<u>3,348</u>	<u>2,974</u>

8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	7,831	7,286
Social security costs	650	540
Operating costs of defined benefit pension schemes	1,366	1,128
	<u>9,847</u>	<u>8,954</u>
Staff costs	9,847	8,954
Staff restructuring costs	8	-
Agency staff - educational	398	236
Agency staff - support	40	48
Staff development and other staff costs	66	39
	<u>10,359</u>	<u>9,277</u>
Total staff expenditure	10,359	9,277

Staff numbers

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

	2016 Number	2015 Number
Teachers	167	158
Administration and support	145	131
Management	18	17
	<u>330</u>	<u>306</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

The average number of persons employed by the academy trust during the year, expressed as full time equivalents, was as follows:

	2016 Number	2015 Number
Teachers	155	147
Administration and support	102	91
Management	18	17
	<u>275</u>	<u>255</u>

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

	2016 Number	2015 Number
£60,001 - £70,000	7	4
£70,001 - £80,000	3	3
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-
	<u>11</u>	<u>8</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £8,050 (2015: £nil) paid to one individual.

Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £737,000 (2015 - £631,000).

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services; and
- others as arising.

The provision of central services is provided by Aston Academy. Aston Academy holds these funds separately and charges for these services based on a flat rate fee for the service provided.

The amounts charged during the year were as follows:

	Total £'000
Aston Academy	-
Thurcroft Junior Academy	151
Lowedges Junior Academy	141
Springwood Junior Academy	30
	<hr/> 322 <hr/>

10 Directors' remuneration and expenses

The CEO only receives remuneration in respect of services they provide undertaking the role of CEO, and not in respect of their services as Director. Other Directors did not receive any payments from the academy trust in respect of their role as Directors. The value of the Directors' remuneration was as follows: E Newton (CEO and Director): Remuneration (excluding pension) £140,000 - £145,000 (2015: £125,000 - £130,000). Employer's pension contributions £20,000 - £25,000 (2015: £15,000 - £20,000). During the year, travel and subsistence payments totalling £nil (2015: £nil) were reimbursed to Directors.

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

11 Directors' and Officers' insurance

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2015	17,754	268	907	374	88	19,391
Additions	174	157	307	386	-	1,024
Disposals	-	-	(25)	-	-	(25)
Transfers	425	(425)	-	-	-	-
At 31 August 2016	18,353	-	1,189	760	88	20,390
Depreciation						
At 1 September 2015	2,391	-	626	126	32	3,175
On disposals	-	-	(25)	-	-	(25)
Charge for the year	651	-	194	71	14	930
At 31 August 2016	3,042	-	795	197	46	4,080
Net book value						
At 31 August 2016	15,311	-	394	563	42	16,310
At 31 August 2015	15,363	268	281	248	56	16,216

13 Stocks

	2016 £'000	2015 £'000
School uniform	16	27
Computer consumables	4	4
Stationery and books	25	25
	45	56

14 Debtors

	2016 £'000	2015 £'000
Trade debtors	2	4
VAT recoverable	256	176
Other debtors	-	3
Prepayments and accrued income	383	343
	641	526

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

15	Creditors: amounts falling due within one year	2016 £'000	2015 £'000
	Government loans	11	7
	Trade creditors	865	415
	Other taxation and social security	194	172
	Other creditors	157	141
	Accruals and deferred income	232	198
		<u>1,459</u>	<u>933</u>

Included within government loans is the portion of the long term SALIX loan which falls due within the following year. The terms of the loan have been discussed in more detail in note 17.

16	Deferred income	2016 £'000	2015 £'000
	Deferred income is included within:		
	Creditors due within one year	<u>123</u>	<u>80</u>
	Deferred income at 1 September 2015	80	237
	Released from previous years	(80)	(237)
	Amounts deferred in the year	<u>123</u>	<u>80</u>
	Deferred income at 31 August 2016	<u>123</u>	<u>80</u>

At the balance sheet date, the Academy Trust was holding in advance £19,000 rates relief, £30,000 of universal infant free school meals funding, £48,000 additional pupil growth funding for the 2016/17 academic year and £26,000 of trip income.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17	Creditors: amounts falling due after more than one year	2016 £'000	2015 £'000
	Government loans	164	102
	Analysis of loans		
	Not wholly repayable within five years by instalments	175	109
	Less: included in current liabilities	(11)	(7)
	Amounts included above	164	102
	Instalments not due within five years	76	46
	Loan maturity		
	Debt due in one year or less	11	7
	Due in more than one year but not more than two years	22	14
	Due in more than two years but not more than five years	66	42
	Due in more than five years	76	46
		175	109

Included within government loans is the long term portion of the following loans from SALIX, a not for profit organisation funded by The Department for Energy and Climate Change.

Aston Academy received a loan as part of the Academies Capital Maintenance grant. The loan is an interest free loan which was originally scheduled for repayments to commence on 1 March 2015, however due to delays in the project the loan repayments will not commence until 1 March 2017. Repayments of £6,783 will be made twice a year for 8 years until the loan is fully repaid.

Thurcroft Junior Academy received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan with repayments set to commence on 1 March 2017 assuming the project is complete. Repayments of £2,502 will be made twice a year for 8 years until the loan is fully repaid.

Lowedges Junior Academy received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan with repayments set to commence on 1 March 2017 assuming the project is complete. Repayments of £1,640 will be made twice a year for 8 years until the loan is fully repaid.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	465	11,783	(11,873)	(277)	98
Start up grants	-	70	(2)	-	68
Other DfE / EFA grants	-	965	(820)	-	145
Other government grants	25	150	(175)	-	-
Building maintenance fund	746	-	-	(452)	294
Other restricted funds	86	295	(251)	-	130
	<u>1,322</u>	<u>13,263</u>	<u>(13,121)</u>	<u>(729)</u>	<u>735</u>
Funds excluding pensions	(3,227)	-	(151)	(2,385)	(5,763)
	<u>(1,905)</u>	<u>13,263</u>	<u>(13,272)</u>	<u>(3,114)</u>	<u>(5,028)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	2,468	187	(57)	-	2,598
Inherited funds	12,795	-	(602)	-	12,193
Capital expenditure from GAG	1,025	-	(268)	729	1,486
Private sector capital sponsorship	4	-	(1)	-	3
	<u>16,292</u>	<u>187</u>	<u>(928)</u>	<u>729</u>	<u>16,280</u>
Total restricted funds	<u>14,387</u>	<u>13,450</u>	<u>(14,200)</u>	<u>(2,385)</u>	<u>11,252</u>
Unrestricted funds					
General funds	<u>493</u>	<u>159</u>	<u>(22)</u>	<u>-</u>	<u>630</u>
Total funds	<u>14,880</u>	<u>13,609</u>	<u>(14,222)</u>	<u>(2,385)</u>	<u>11,882</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

(Continued)

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 2016.

Start up grants

This includes grants to support the trust in the conversion of Swinton Comprehensive School which will be joining the trust from 1 October 2016.

Other DfE/EFA grants

This includes the Pupil Premium funding, School Direct funding and the Universal Infant Free School Meals grant.

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 School Direct funding is grants received to support teacher training.

The Universal Infant Free School Meals grant is for the provision of free school meals for infant pupils.

Other government grants

This includes nursery funding and Pupil Premium funding for Looked After Children, both received from the Local Authority.

The nursery funding is for the nursery provision at Lowedges Junior Academy.

The Pupil Premium funding for Looked After Children is a specific grant to support each Looked After Child within the academy trust's care.

Building maintenance fund

The building maintenance fund includes surplus funding transferred from the General Annual Grant fund which has been set aside for future building maintenance work.

Other restricted funds

Other restricted funds includes income for hire of facilities, money collected for trips, tuck shops and other educational trading activities which is directly for the benefit of the pupils within the Trust.

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 £729,000 has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction 2015 to 2016.

The restricted pension fund is in deficit to the value of £5,763,000 as at 31 August 2016. However a significant portion of this deficit was inherited upon conversion to Academy status. The Directors will continue to monitor this situation closely.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

(Continued)

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2016 were allocated as follows:	
Aston Academy	679
Thurcroft Junior Academy	167
Lowedges Junior Academy	74
Springwood Junior Academy	10
Central services	435
	<hr/>
Total before fixed assets fund and pension reserve	1,365
Restricted fixed asset fund	16,280
Pension reserve	(5,763)
	<hr/>
Total funds	11,882
	<hr/> <hr/>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Aston Academy	6,637	1,262	133	1,856	9,888
Thurcroft Junior Academy	672	57	15	245	989
Lowedges Junior Academy	872	158	30	347	1,407
Springwood Junior Academy	617	84	46	263	1,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,798	1,561	224	2,711	13,294
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The total costs per academy were as follows for the year ended 31 August 2015; Aston Academy £9,346,000, Thurcroft Junior Academy £950,000, Lowedges Junior Academy £1,327,000 and Springwood Junior Academy £148,000.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

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

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

Contributions amounting to £154,000 (2015: £141,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £922,000 (2015: £736,000).

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 11.8 to 14.7% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £421,000.

The Academy Trust has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. The Academy Trust will continue to make additional contributions.

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

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	405	338
Employees' contributions	122	110
Total contributions	<u>527</u>	<u>448</u>
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.65	4.05
Rate of increase for pensions in payment	2.00	2.30
Discount rate	2.20	4.00
Inflation assumption (CPI)	<u>1.90</u>	<u>2.30</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

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	9,160	8,936	9,389	9,319
Assets	(3,397)	(3,397)	(3,397)	(3,397)
Deficit	<u>5,763</u>	<u>5,539</u>	<u>5,992</u>	<u>5,922</u>
Projected service cost for next year	672	653	693	686
Projected net interest costs for next year	121	122	126	125

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

	2016 Years	2015 Years
Retiring today		
- Males	23.0	23.0
- Females	25.7	25.6
Retiring in 20 years		
- Males	25.4	25.3
- Females	<u>28.5</u>	<u>28.4</u>

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

	2016 Fair value £'000	2015 Fair value £'000
Equities	1,984	1,432
Bonds	509	346
Other bonds	211	143
Cash/liquidity	58	43
Property	374	278
Other assets	<u>261</u>	<u>172</u>
Total market value of assets	<u>3,397</u>	<u>2,414</u>
Actual return on scheme assets - gain/(loss)	<u>525</u>	<u>64</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	425	375
Net interest cost	123	102
Administration expenses	8	7
Total operating charge	556	484
Changes in the present value of defined benefit obligations	2016 £'000	2015 £'000
Obligations at 1 September 2015	5,641	4,293
Obligations acquired on conversion	-	631
Current service cost	425	375
Interest cost	228	187
Employee contributions	122	110
Actuarial loss	2,805	96
Benefits paid	(61)	(51)
At 31 August 2016	9,160	5,641
Changes in the fair value of the academy trust's share of scheme assets	2016 £'000	2015 £'000
Assets at 1 September 2015	2,414	1,948
Assets acquired on conversion	-	12
Interest income	105	85
Actuarial gain/(loss)	420	(21)
Employer contributions	405	338
Employee contributions	122	110
Benefits paid	(61)	(51)
Administration expenses	(8)	(7)
At 31 August 2016	3,397	2,414

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General fund £'000	Restricted Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	16,310	16,310
Current assets	656	1,772	530	2,958
Creditors falling due within one year	(26)	(1,037)	(396)	(1,459)
Creditors falling due after one year	-	-	(164)	(164)
Defined benefit pension liability	-	(5,763)	-	(5,763)
	<u>630</u>	<u>(5,028)</u>	<u>16,280</u>	<u>11,882</u>

21 Reconciliation of net cash flow to movement in net funds

	2016 £'000	2015 £'000
Increase/(decrease) in cash	(72)	574
New long term government loan	(66)	(109)
Net funds at 1 September 2015	2,235	1,770
Net funds at 31 August 2016	<u>2,097</u>	<u>2,235</u>

22 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period	(613)	2,668
Adjusted for:		
Net deficit/(surplus) transferred on conversion	(69)	(2,464)
Capital grants from DfE/EFA and other capital income	(187)	(474)
Investment income	(3)	(3)
Defined benefit pension costs less contributions payable	28	44
Defined benefit pension net finance cost/(income)	123	102
Depreciation of tangible fixed assets	930	871
Losses/(profits) on disposals of fixed assets	(2)	-
(Increase)/decrease in stocks	11	(25)
(Increase)/decrease in debtors	(115)	(85)
Increase/(decrease) in creditors	213	(70)
Net cash provided by operating activities	<u>316</u>	<u>564</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Commitments under operating leases

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

	2016 £'000	2015 £'000
Amounts due within one year	12	23
Amounts due in two and five years	11	24
	<u>23</u>	<u>47</u>

24 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the accounts	157	138

The Academy Trust has received capital grant funding to cover the cost of the above projects except for £66,270 (2015 - £108,512) which has been provided in the form of an EFA approved interest free loan from SALIX, a not for profit organisation funded by The Department for Energy and Climate Change. This will be repayable over the next 8 years.

25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have 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.

26 Post balance sheet events

After the year end, two additional schools converted to academy trust status and joined Aston Community Education Trust on 1 October 2016. The schools which will be joining the trust are Swinton Comprehensive School and Aughton Primary School.

Academy	Location	Date of conversion
Aughton Junior Academy (from 1 October 2016)	Rotherham	1 October 2016
Swinton Academy (from 1 October 2016)	Rotherham	1 October 2016

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

27 Members' liability

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

28 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	12,329	14,880

Reconciliation of net income for the previous financial period

	Notes	2015 £'000
Net income as reported under previous UK GAAP		2,711
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost		(43)
Net income reported under FRS 102		2,668

Notes to reconciliations on adoption of FRS 102

Local Government Pension Scheme - deficit restatement

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenses. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expense by £43,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.