

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 2017**

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# ASTON COMMUNITY EDUCATION TRUST

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## REFERENCE AND ADMINISTRATIVE DETAILS

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### Directors

J Barton (Chair of Directors/Trustees)  
R Dyson  
E Newton (Resigned 24 April 2017)  
J Swift  
C Kinsella  
I Somerville (Appointed 24 April 2017)  
J Hudson (Appointed 24 April 2017)  
A Brickles (Appointed 24 April 2017 )  
M Parker (Appointed 24 April 2017)

### Members

J Barton  
R Dyson  
P Bennett  
T Baum-Dixon (Appointed 24 April 2017)  
J Sharman (Appointed 24 April 2017)

### Senior management team

- CEO/Accounting Officer

E Newton

- Associate Principal
- Trust Improvement Partner
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Associate Principal
- Principal
- Trust Improvement Leader

R Scutt  
D Richardson  
D Simpson  
R Hibberd  
J Sanigar  
D Curran  
R Porter  
E Swindells  
C Keeton  
J Morrison  
S Griffith  
M Cottingham  
L Selkirk

### Company registration number

07577113 (England and Wales)

### Registered office

Acet House  
66 Holderness Drive  
Aston  
Sheffield  
S26 2BH

## REFERENCE AND ADMINISTRATIVE DETAILS

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Academies operated	Location	Head of Academy
Aston Academy	Rotherham	D Curran
Thurcroft Junior Academy	Rotherham	D Richardson (Resigned 31 August 2016) R Porter (Appointed 1 September 2016)
Lowedges Junior Academy	Sheffield	R Scutt
Springwood Junior Academy	Rotherham	D Simpson (Resigned 31 May 2017) C Keeton (Appointed 1 June 2017)
Aughton Junior Academy (from 1 October 2016)	Rotherham	E Swindells
Swinton Academy (from 1 October 2016)	Rotherham	J Morrison (Resigned 31 August 2017) R Hibberd (Appointed 1 September 2017)
Shirebrook Academy (from 1 May 2017)	Derbyshire	M Cottingham
Temple Normanton Junior Academy (from 1 May 2017)	Derbyshire	S Griffith (Resigned 31 August 2017) C Wright (Appointed 1 September 2017)
Listerdale Junior Academy (from 1 June 2017)	Rotherham	D Simpson

## REFERENCE AND ADMINISTRATIVE DETAILS

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### 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

### Investment advisors

St James's Place  
1 Tetbury Road  
Cirencester  
Gloucestershire  
GL7 1FP

ASTON COMMUNITY EDUCATION TRUST  
DIRECTORS REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017

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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 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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, which were updated April 2017. The Trustees of the Academy Trust are responsible for the strategic direction of the Academy Trust. The responsibility for ensuring that the strategic direction is undertaken falls with the Board of Directors, currently the makeup of the Board of Trustees and the Board of Directors are the same. The Directors undertake their responsibility by delegating some responsibility to the Local Governing Body of each Academy within the Multi Academy Trust. The Trustees of Aston Community Education Trust are also the Directors of the Charitable Company for the purposes of company law.

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

#### **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 Trustee, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Trustee.

#### **Trustees' Indemnities**

Trustees benefit from indemnity insurance provided by 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 them in respect of negligence, default of breach of trust or breach of duty of which they may be legally guilty in relation to the Academy Trust. Provided that any such insurance shall not be extended to any claim arising from any act or omission which the Trustees knew to be in breach of trust or a breach of duty or which was committed by the trustees in reckless disregard to whether it was in breach of trust or a 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 16 and they may appoint up to 11 Trustees, 2 parent Trustees and up to 3 co-opted Trustees. The total number of Trustees (or co-opted Trustees) who are employees of the Company must not exceed one third of the total number of Trustees. The Secretary of State may in special circumstances appoint such additional Trustees as he sees fit. To date there have been no such additions.

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

We have named Governors who take particular responsibility for the following: Anti-bullying; Arts; Child Protection and Safeguarding; Children in Public Care; Anti- Drugs; Health & Safety on School Trips; Health & Safety; Equality

& Diversity; Special Education Needs; Sex & Relationships; Target Setting; Trustee Training & Development; Executive Principal Review Panel; Associate Principal Review Panel.

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

### **Policies and procedures adopted for the induction and training of Trustees**

We recognise the positive contribution that Governors can make to our organisation, when they have commitment, training and are given the opportunity to do so, therefore, attracting people with the experience, skills, desire and time to make a difference in their local community is fundamental to our approach. Such people are encouraged to join the team and work with the Trust, as participants of the Local Governing Bodies. The induction and training

programme is managed by the named Trustee and a full programme of training and induction is offered, including attendance on relevant training courses offered by external providers, access to in-house training delivered by strategic leaders in school and opportunity to request further training that they feel would be beneficial.

### **Organisational structure**

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

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

### **Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration for key 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.

### **Risk management**

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy Trust. Systems or procedures have been established to manage those risks. The procedures include identifying potential risks,

assessing them against a scoring system and identifying preventative measures as well as looking at resilience measures. There are in place a number of systems to assess risks that the Academy Trust faces, particularly in

operational areas, including teaching, health & safety, anti-bullying and Academy educational visits. Systems include vetting of new staff and visitors; monitoring and supervision of the school site and internal financial controls, including a Controls Assurance Statement, which is reviewed at appropriate times by the Trustees. These systems are for the purpose of minimising risk. Where significant financial risk can still be identified the Trustees have ensured that adequate insurance cover is in place.

#### **Connected organisations including related party transactions**

Aston Academy is a strong partner with its feeder primary school community and is in every sense a community Academy. Following requests from the Local Authority, we have provided support to help raise standards in some of our cluster primary schools.

The Transforming Rotherham Learning is at the core of our ethos:

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

#### **Objectives and activities**

##### **Objects and aims**

The principal object and activity of the Charitable Company is the operation of Aston Community Education Trust to provide education for pupils/students of different abilities between the ages of 2 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

##### **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 has been one of the highest performing Academies/Schools within the Rotherham Education Authority for the past four years and is currently rated "Good" by OFSTED most recently in 2014. It is also a specialist Academy for maths and computing.

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.

#### **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.

#### **Employees and disabled persons**

Recruitment of staff is provided for in ACET's Equal Opportunities in Employment policy where it states, in relation to recruitment:

- Advertisements shall not imply that there is a preference for a particular group of applicants, unless there is a Genuine Occupational Qualification which limits a post to a particular group, in which case this will be clearly stated.
- Job Descriptions will give as much clear and accurate information as necessary to enable applicants to assess their suitability for the post.
- Person specifications shall only include requirements that are necessary and justifiable for the effective performance of the job. Particular attention will be paid to selection criteria to ensure potential applicants are not restricted or disadvantaged on the grounds of gender, marital status, age, race, disability, sexual orientation, religion or belief.
- The aim of the selection process is to determine the best candidate for the post in a thorough and objective manner. Individuals will be selected, promoted and treated on the basis of their ability to carry out a particular job. Criteria and tests will be selected to ensure that they are related to job requirements and not unlawfully discriminatory. This process will be continually reviewed to ensure all applicants are treated fairly.
- We will consider all reasonable adjustments to the selection process, the working environment and the job, where that would help overcome the practical effects of a disability.

For existing employees who become disabled, we undertake to make reasonable adjustments in areas such as physical environment, duties, working pattern etc. Employees with disabilities also have dispensation under the Special Leave of Absence Policy for paid time off from work for appointments related to their disability.

ACET strongly supports an ethos of inclusivity and consults regularly with staff on matters which may affect them. Regular meetings are held fortnightly with senior leaders and trade union representatives as a communication channel between staff and leaders. Staff governors are elected for each individual Local Governing Body. Any potential item for consultation is discussed at both trade union meetings and governing body meetings, then staff are consulted via staff briefings, meetings working groups and other communication appropriate to the individual situation, with a timeline for consultation communicated at the outset.

## Strategic Report

### Achievements and performance

Key priorities for all academies remain to:

- sustain and improve standards for all students. Individual academies have different strengths and weaknesses but there remains a focus on ensuring that the disadvantaged students achieve as well as the national non-disadvantaged in all headline measures.
- continue to reflect upon and improve teaching, learning and assessment
- continue to focus on high expectations of behaviour, consistent behaviour management and securing high levels of attendance. This has also included detailed analysis of all groups and close monitoring of Persistent Absenteeism.
- ensure rigour in the monitoring, evaluation and review of standards and the quality of teaching, learning and assessment. This has included the further development of senior and middle leadership development programmes and the coaching of staff new to leadership posts by experienced staff.
- Ensure that safeguarding is effective and that students are supported so that they are able to manage and assess risk effectively. All assembly programmes and staff briefings include updates on current issues. The curriculum continues to reinforce the understanding of fundamental British Values.

In the junior academies the assessment model has continued to be refined and has included contributions from leaders within the Foundation Stage. Development in assessment has also included a focus on improving the rigour in pupil progress meetings. In secondary, the need to review the KS3 curriculum and the consistency of assessment has been identified as an area for improvement in the next academic year.

ACET has its own team of school improvement consultants who work closely with each academy's leadership team to frequently monitor and report objectively on standards to governors. During October 2017 the trust improvement partner was joined by a Literacy specialist adding to the capacity of support. A primary computing specialist was recruited and the role of the Creative Arts Director was further developed to impact on a wider range of junior academies; a maths specialist continued to support teaching and intervention, predominantly in Y6.

As the trust has grown during 2017, the capacity has increased further to include a junior and secondary Executive Principal and additional Maths and English consultants. These roles are being developed to cover both primary and secondary provision; they lead staff CPD, have an excellent knowledge of assessment at KS4 and KS2 and support and challenge the Principals through frequent dialogue and progress meetings. The team also ensures that bespoke training is in place for teaching staff which may include the opportunity to observe best practice across the trust.

The school improvement team has continued to support and challenge leadership, including Governance, ensuring that:

- the Audit and Evaluation of the Academy and the resultant Improvement plan are focused on the priorities required to move the academy swiftly forward
- the professional development of staff focusses on the key priorities identified in the Academy Improvement Plan through
  - the planning and delivery of staff inset both within the academy and across the trust so that staff are afforded the opportunity to work alongside and learn from colleagues who teach the same year groups and who have similar roles
  - the modelling of lessons to enhance subject knowledge, particularly in Writing at KS2 and Spelling, Punctuation and Grammar.
  - the trust's specialist support to the SENCO

- the governing body
  - are supported to set challenging and ambitious targets across all phases
  - have a good understanding of national performance data so that the leadership of the academy can be held to account

#### ACET Leadership Programme (ALP)

A middle leader development programme for junior academy staff was introduced in September 2016 and led by two senior leaders. The aim of the programme was to provide accelerated leadership and management training for those staff new to teaching who had demonstrated the aptitude, ambition and commitment to progress to leadership positions within the trust early in their careers. The programme recruited ten staff across a range of four academies. The programme has included training on:

- vision and ethos
- securing and leading effective teaching, learning and assessment
- the Ofsted framework
- use of data

#### Curriculum

During this academic year, staff have been given specific development roles on the Academy Improvement Plan. As a result, their skills in implementing an action plan and monitoring and evaluating progress, as well as continuing to secure and model very effective teaching in their academy, will be challenged and developed. At the end of the first of the two-year programme, a parallel training course was introduced – focusing specifically on the development of leadership and management skills in the foundation stage – FALPs programme. Two members of staff from the ALPs programme have transferred to this development.

#### ITT Partnerships

In 2016-2017 Aston Academy was the lead school for Aston Academy School Direct (now known as ACET School Direct), 24 trainees were recruited to the trust's School Direct programme in partnership with The University of Sheffield and Sheffield Hallam University. Out of this cohort, 19 trainees were for Ebacc subjects. Just one trainee did not complete the training. Aston, as the lead school, was responsible for interviewing and arranging placements for all trainees with the majority of out of placement training taking place at the universities. Many of the School Direct trainees were successful in gaining jobs at other schools early in the recruitment period which may to explain the low recruitment figure to ACET academies where 3 of the 23 trainees were recruited (PE and Maths at Swinton Academy and PE at Temple Normanton Junior Academy).

#### Outcomes 2017 – Secondary KS4

Grading 1-9 for qualifications in English and Mathematics was introduced in 2017. Subject development in the secondary academies included staff training to become familiar with the new grades; the DfE indicated that the new 4+ would match the old grade C and similarly, the new 7+ would match the old grade A. Staff confidence on other boundaries has been less secure. This is the second academic year that the new headline measures have been reported which have included Attainment 8, Progress 8, the proportion of students achieving 5+ (a good pass) in English and Mathematics, Ebacc entry and achievement and destinations. The DfE decided earlier in the academic year to include the 4+ measure (standard pass) in this year's performance tables.

Swinton joined the trust in October 2016. Significant concerns were raised following Y11 assessment and data collection during the first term and significant support was implemented to scaffold and support intervention, particularly in mathematics. Outcomes in summer 2017 were pleasing based on the challenge at the start of the year but there is much work to do to secure better progress across a wide range of subjects through better teaching. The impact of trust support at Swinton was evident through significantly higher outcomes than those predicted early in the academic year.

**ASTON COMMUNITY EDUCATION TRUST  
DIRECTORS REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

At Aston, outcomes were again disappointing in English compared to Mathematics where at 4+ are a significant strength across the region. In addition, predictions for English were well adrift of actual achievement; progress in English remains a significant concern. This is being addressed through further support and examination scrutiny and action in 2017-18.

	<b>ASTON 2017</b>	<b>SWINTON 2017 actuals</b>
KS2 APS	28.9	27
4+ English	75%	73%
4+ Maths	87%	63%
4+ English and Maths	73%	59%
5+ English	54%	57%
5+ Maths	59%	38%
5+ English and Maths	43%	35%
7+English	15%	16%
7+Maths	18%	10%
P8	0.22 sig plus Disad =	0.05 in line Disad sig -
P8 Maths	sig+ Disad =	= Disad Sig -
P8 English	sig- Disad sig -	sig + Disad =
A8	50.6	43.4
EBacc	31% 4+ 28% 5+	22% 4+ 19% 5+
Attendance	95%	93.3%

Shirebrook Academy joined the trust on May 1st 2017. Outcomes at the end of KS4 are a significant concern with progress 8 close to floor and outcomes in English and Mathematics and a wider range of subjects well below forecast and student expectation based on similar prior attainment.

At post 16, Aston was measured as ALPs measure 3, a consistent strength over recent years although it was disappointing to see the L3VA measure to remain in line with national rather than being sig + as it had been over the previous two years. Although completion rates were below national it was pleasing to see strong recruitment onto apprenticeships during the academic year and 0% NEETs.

The Post 16 provision at Swinton remains a significant concern regarding provision and size of teaching groups. Pass rate at A2 was high but again a low ALPs and L3VA measures indicates poor progress over time.

## JUNIOR ACADEMIES

The outcomes at KS2 for all Junior Academies improved during 2017. There has been significant focus on progress from KS1 and ensuring that all staff are more familiar with accountability measures during the academic year.

### KS2

Thurcroft Junior Academy was under close scrutiny from the LA following a disappointing combined measure in Reading, Writing and Mathematics in 2016. The improvement from 39% to 65%, although significant, masks disappointing outcomes in progress as a significant proportion of pupils joined year 3 with the highest outcomes at the end of KS1. Outcomes have also been affected however by five pupils joining the academy just before the start of the third term.

Lowedges Junior Academy exceeded combined national at KS2. Progress in Maths and English was in line with national, Writing was above. There is work to do to secure effective catch up for pupils before they get to year 6.

Springwood Junior Academy secured outstanding outcomes, this included positive outcomes for the disadvantaged cohort in Reading, Writing and Mathematics.

Aughton Junior Academy secured 100% in Mathematics but there is still work to do to secure better progress. It was pleasing to see that Reading in 2017 was in line with national, a significant improvement from 2016.

ACADEMY	COHORT	MATHS TARGET	MATHS PREDICTION ACTUAL (Nat = 75%)	READING TARGET	READING PREDICTION ACTUAL (Nat = 71%)	SPaG TARGET	SPaG PREDICTION ACTUAL (Nat = 77%)	Writing Target	Writing Prediction ACTUAL (Nat = 76%)	Combined outcome 2016 * Nat = 53%	COMBINED TARGET	COMBINED PREDICTION ACTUAL (Nat = 61%)
TJA	47	84%	72% 72%	80%	70% 75%	84%	65% 73%	84%	84% 90%	39%	76%	65% 65%
AJA	13	85%	92% 100%	77%	77% 62%	85%	76% 69%	77%	77% 85%	42%	69%	69% 62%
SJA	25	81%	88% 92%	77%	88% 88%	81%	88% 88%	84%	92% 88%	52%	81%	84% 88%
LJA	25	82%	69% 69%	75%	73% 62%	72%	54% 38%	82%	77% 83%	62%	75%	65% 62%
LDJA	30	80%	63% 77%	77%	77% 67%	75%	77% 77%	83%	80% 83%	48%	75%	63% 67%
TNJA	10		50% 20%		60% 50%		60% 60%		60% 30%		N/A	60% 20%

Listerdale continued to be supported during 2017 and joined the trust on June 1st 2017. Better 'combined' outcomes were secured and were above national. However, there is work to secure a greater proportion of pupils achieving high scores – a key improvement priority for 2018.

ASTON COMMUNITY EDUCATION TRUST  
DIRECTORS REPORT  
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Temple Normanton joined the trust on May 1st 2017 and a member of the improvement team took the role of Principal following the resignation of the headteacher. Outcomes in all phases were inadequate. An assessment tracking system has now been implemented and effective teaching is now taking place.

## KS1

It has been pleasing to see improved outcomes at KS1 and the focus of tracking progress from Early Years, a significant emphasis and accountability measure during this academic year. The new tracking system and portfolio evidence collection is beginning to impact on standards through better exemplification of what age related expectations should look like. There has been an emphasis on improving the quality of transition from Early Years to Year 1 including the quality of information parents and carers receive about expectations and progress.

Emphasis on standards in Phonics has improved. All junior academies complete the same assessment tests during the year in order that progress and standards can be compared. In addition, outcomes in the Phonics Screening Check are included in pupil marksheets throughout KS1 and KS2 to raise the profile of securing fluency in Reading.

PHONICS	% EXPECTED TO ACHIEVE A SCORE OF 32 OR MORE	Y1 ACTUAL National = 81%	Y2 AGGREGATE PREDICTION	Y2 ACTUAL National = 92%
LJA	72%	65%	86%	84%
SJA	88%	84%	97%	97%
AJA	85%	86%	96%	93%
LDJA	80%	89%	96%	96%
TNJA	82%	61%	N/A	100%

ACADEMY KS1	MATHS TARGET	MATHS PREDICTION ACTUAL National = 75%	READING TARGET	READING PREDICTION ACTUAL National = 76%	SPaG TARGET	SPaG PREDICTION ACTUAL	Writing Target	Writing Prediction ACTUAL National = 68%	Science ACTUAL National = 83%
AJA	79%	78% 81%	83%	81% 81%	72%	74%	72%	74% 74%	88%
SJA	81%	77% 77%	74%	80% 77%	74%	80%	74%	80% 80%	87%
LJA	72%	74%	72%	62% 72%	72%		70%	64%	72%
LDJA	82%	77% 78%	80%	75% 78%	80%	75%	85%	70% 65%	76%
TNJA	73%	54% 36%	73%	54% 27%	N/A	63% 18%	66%	63% 18%	36%

ASTON COMMUNITY EDUCATION TRUST  
DIRECTORS REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017

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#### Foundation Stage

There has been additional scrutiny on the Foundation Stage across the trust this academic year. All academies within the trust during the last academic year have achieved outcomes above or close to national.

Not all academies have a discreet Audit and Evaluation for Foundation Stage and improvement actions are written within the Academy Improvement Plan. This is a focus for development for all academies this academic year. Outcomes, measured by the Good Level of Development (GLD) have had insufficient focus on challenging the most able, consequently targets and tracking will include further accountability for proportions of pupils exceeding the learning goals in 2018.

In addition, there will be more scrutiny regarding the detail of analysis at the completion of baseline assessment in November of the academic year and similarly, the evaluation of progress at the end of the summer term during the same academic year.

ACADEMY	TARGET	PREDICTION	ACTUAL
			Nat = 71%
LJA	80%	71%	74%
SJA	73%	70%	68%
AJA	81%	81%	85%
LDJA	85%	85%	76%
TNJA	75%	75%	25%

#### OFSTED 2017

Two academies were visited by Ofsted during 2016-17.

Lowedges Junior Academy received its first section 5 inspection (2days) in June 2017. The overall judgement was Requires Improvement. Leadership and Management, Behaviour and EYFS achieved Good.

The academy will be re-inspected under section 5 (2days) usually no later than the end of the term in which the 24th month after the publication of the report falls. So we should expect inspection towards the end of the next academic year 2018-19.

The school has the following strengths

- The headteacher, governors and trust leaders work in strong partnership. They have made good headway in improving outcomes for pupils and are clear about what still needs to be better.
- The plethora of support to develop the practice of teachers this year is resulting in pupils making better progress.
- Over the last two years, standards at the end of Year 6 have improved considerably.
- Rapid improvement in the leadership, teaching and provision in the early years has resulted in children making strong progress across the curriculum.
- Leaders' commitment to improving partnerships with parents is starting to shine through.

- Pupils are developing skills across a wide, practical curriculum, for example, in science and physical education.

What does the school need to do to improve further?

Improve the quality of teaching and learning so that all pupils make at least good progress by ensuring that all teachers:

- match work appropriately to pupils' needs in mathematics, moving pupils on quickly when they have confidently grasped a concept, and giving more support to those who are finding it tricky
- have high expectations of pupils' handwriting and presentation, particularly in writing
- show pupils how to build up skills effectively in their writing and edit their work successfully to produce high-quality finished pieces of work.
- Deploy teaching assistants effectively so that they always support pupils' learning well and encourage the best behaviour from pupils at all times, in classrooms and around school.
- Improve outcomes for disadvantaged pupils in reading by responding quickly to any slowing of pupils' progress.
- Continue to work with parents and carers and pupils to:
  - promote the positive aspects of school improvement and deepen the sense of pride of being part of Lowedges Junior Academy
  - improve pupils' attendance.

Listerdale Academy was inspected in October 2017. This was a section 8 inspection and lasted just one day, and the academy continues to hold a good Ofsted rating. There were many strengths of the academy highlighted. 'Next steps for the school

Leaders and those responsible for governance should ensure that:

- in the early years provision, activities and interactions with adults support good learning at every opportunity, especially in the outdoor environment
- more pupils reach greater depths of learning in mathematics, reading and writing.

A detailed review of Early Years is already underway.

### **Going concern**

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

### **Key financial performance indicators**

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

- spending has been for the purpose intended;
- no Trustee, Governor or employee has benefitted personally from the use of these funds;
- the Senior Officers' payroll arrangements fully meet tax obligations;
- competitive tendering is in place and applied;
- there is probity in the use of public funds;



- segregation of duties is embedded throughout financial systems; and
- regular comparison of staffing numbers against current and projected student intake takes place.

The Academy is also subject to scrutiny from external organisations. This could include, but may not be limited to, Ofsted inspection outcomes, examination / key stage results, pupil attendance data and pupil recruitment data, in addition to financial and investment performance. It could be presented as both achievements against objectives for the current accounting period, and as trends over time. Information from across the trust is used to inform the annual Budget Forecast return; Whole Government Accounts return; and Financial Management and Governance Evaluation.

### **Financial review**

At 31 August 2017 the net book value of fixed assets was £64,399,000 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.

The Academy Trust also received a capital grant of over £244,000 for Thurcroft Junior Academy in respect of a new early years foundation stage provision which opened 1 September 2017. During the year we have received notification that the Condition Improvement Fund is to support Infrastructure Projects across the Trust, funding receivable of £2,497,000 has been recorded in the accounts to meet the contractual commitments of completing the bulk of the works. Further works are scheduled for in the financial year 2017/18. These funds are in addition to the Devolved Formula Capital grants received by the Academy Trust.

### **Endowment Fund**

Our unit trust investments generated £17,000 in income during the year. Following a £18,000 increase in the valuation of the units (after valuation movement and management charges) in which our investments are placed over the year, our initial investment in Unit Trusts of £2,603,000 now stands at £2,621,000.

### **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 principal 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 ESFA 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 2017 the unrestricted reserves were £1,462,000.

The restricted pension fund reserve is in deficit to the value of £10,360,000 as at 31 August 2017. This deficit has been inherited upon conversion to Academy status and the Trustees will continue to monitor this situation closely.

## **Investment Policy**

This policy governs the investment strategy of the Aston Community Education Trust and all establishments that constitute the Multi Academy Trust. The management of charitable funds and investments will comply with the requirements of the most up to date:

- Charities Act;
- Trustee Act;
- Financial Services and Markets Act (FSMA); and the
- Charity Commission guidance.

The charitable funds of the Multi Academy Trust are derived from Endowment funds, direct government and local authority grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the charity's work, such as providing education, training and development; these funds are defined as unrestricted.

The trustee of these funds is the Multi Academy Trust, which is managed by its Board of Trustees and Local Governing Bodies. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments.

## **Policy Scope**

This policy applies to all trustees, governors, and employees of the Multi Academy Trust; a breach of the investment policy and procedure may result in disciplinary action.

## **Responsibilities of the Finance Committee**

The Finance Committee of the Multi Academy Trust is assisted by Local Governing Body subcommittees (where delegated authority has been provided) and is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

## **Responsibilities of the Accounting Officer and Chief Financial Officer**

The Accounting Officer is responsible for ensuring that fund managers and their staff are aware of the investment policy and for ensuring that the policy is followed for all investments held. The Accounting Officer and the Chief Financial Officer are authorised to withdraw and deposit funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements, subject to the existing authorisation protocols.

## **Aims and Objectives**

The investment objectives of the Multi Academy Trust are to:

- Achieve a long-term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment that could impact the ability of the fund to meet future long-term financial commitments;
- Provide an income to the Multi Academy Trust to help maintain its operational effectiveness in the short term.

However, a total return approach will take precedent, allowing the Multi Academy Trust to focus on investments providing optimal performance in terms of overall return rather than investments which would provide the right balance of capital and income return. The protection of present and future beneficiaries will be a key responsibility of the Multi Academy Trust.

### **Investment & Counterparty Risk**

The Multi Academy Trust acknowledges that, in order to achieve an optimal rate of return, investments will be subject to a level of risk (Risk Return Relationship). The Multi Academy Trust will seek to adopt a prudent appetite towards risk by:

Investing in markets where financial services are closely regulated and compensation schemes are in place;  
Adopting a suitably diversified portfolio and utilising hedged products to limit the impact of systematic and unsystematic risk;  
Avoiding speculative forms of investment;  
Investing in common investment and/or unitised funds.

Professional investment advice will be sought about the most suitable investments for the Multi Academy Trust and investments will be placed with suitably qualified investment managing agents.

### **Ethical Investment**

The Multi Academy Trust is underpinned and supported by ethical values. However, the Multi Academy Trust is mindful of its underlying principle to further the purpose of the Multi Academy Trust (provision of education); that purpose will ordinarily be best served by seeking the maximum return consistent with commercial prudence. Therefore, the Multi Academy Trust will seek to use a combination of positive and negative criteria to influence the investment decision making process.

#### **Positive Criteria:**

- responsible employment practices;
- best corporate Governance practice;
- conscientiousness with regard to human rights;
- sustainable environmental practice;
- sensitivity towards the communities in which the business operates.

The Multi Academy Trust has given due consideration to the guidance issued by the Charities Commission and has recommended against any direct investment in the following types of organisation:

- any organisation that is directly involved in indiscriminate weaponry;
- any organisation that produces pornography;
- any organisation where their principal business activity or focus is tobacco, alcoholic drink, gambling, or weekly collected home credit.

### **Monitoring and Reporting Investments**

The Multi Academy Trust will review the performance of the Investment Manager and the Investment Funds biannually by comparing their performance against that of competitors, average performance indicators, and the Investment Manager's adherence to the Investment Policy.

The Multi Academy Trust's annual report and financial statements will describe the investment policy used to select the Academy Trust's investments as well as reporting on the performance of investments.

### **Policy Review**

The Multi Academy Trust will review and publish this policy on an annual basis, ensuring that it remains accurate and fit for purpose.

### **Financial and risk management objectives and policies**

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

### **Principal risks and uncertainties**

These include:

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

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

### **Plans for the future**

The Academy Trust will continue our commitment to continuous improvement and higher levels of achievement for all our students/pupils across all Academy sites, in line with our ethos of ensuring that each and every student/pupil reaches his or her full potential. We fully understand what is required in order to promote effective and sustainable school improvement and 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 to 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 students of Thurstcroft Junior Academy.

We plan to continue to submit relevant capital bids whenever possible to obtain maximum benefit for large scale high impact refurbishment projects to upgrade the buildings around both Academy sites which will provide immediate and long term benefit and we have identified some funds within the trust that can be used as a Building Development Fund at an appropriate time. With careful management to minimise disruption to students and staff this will further support learning and teaching by providing an enhanced student environment accessible to all stakeholders of the Academy Trust.

ASTON COMMUNITY EDUCATION TRUST  
DIRECTORS REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017

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ACET have been selected as the sponsor trust for a new Junior Academy on the Waverley estate. The Trust took part in a rigorous selection panel competing against a shortlisted five academy trusts. The development is still in the early stages of planning with the local authority who are our principal partners in the design and build of the site which is due to open September 2020.

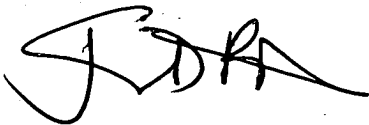
**Auditor**

Insofar as the trustees are aware:

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

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on the board's behalf by:



J Barton  
Chair of Directors

ASTON COMMUNITY EDUCATION TRUST  
GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2017

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**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 seven 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)	7	7
R Dyson	7	7
E Newton (Accounting Officer) (resigned as trustee 24/4/17)	4	4
J Swift	7	7
C Kinsella	7	7
I Somerville	3	3
J Hudson	3	3
A Brickles	3	3
M Parker	3	3

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.

ASTON COMMUNITY EDUCATION TRUST  
GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2017

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	3	3
R Dyson	3	3
J Swift	3	3
C Kinsella	3	3
I Somerville	1	1
J Hudson	1	1
A Brickles	1	1
M Parker	1	1

#### **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:

#### **IT**

During the year several of our academies invested in classroom ICT provision, we were able to co-ordinate the purchases across the trust and negotiate significant discounts on bulk purchases by pooling resources.

#### **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 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operative, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 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
- the control surrounding the disposal of fixed assets.

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.



ASTON COMMUNITY EDUCATION TRUST  
GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2017

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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.

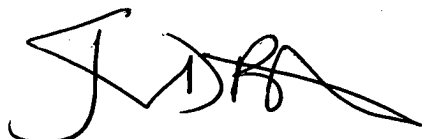
**Review of effectiveness**

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.

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 18 December 2017 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 2017

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As Accounting Officer of Aston Community Education Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education and Skills 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 ESFA.



E Newton  
Accounting Officer

18 December 2017

ASTON COMMUNITY EDUCATION TRUST  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017

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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 and Skills 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:

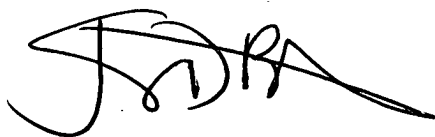
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been 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 ESFA/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 18 December 2017 and signed on its behalf by:



J Barton

Chair of Directors/Trustees

ASTON COMMUNITY EDUCATION TRUST  
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASTON  
COMMUNITY EDUCATION TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017

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**Opinion**

We have audited the accounts of Aston Community Education Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 2016 to 2017.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ASTON COMMUNITY EDUCATION TRUST  
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASTON  
COMMUNITY EDUCATION TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.
- Matters on which we are required to report by exception
- In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

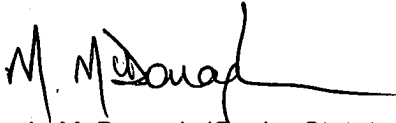
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ASTON COMMUNITY EDUCATION TRUST  
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASTON  
COMMUNITY EDUCATION TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017

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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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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: ~~20~~ December 2017

ASTON COMMUNITY EDUCATION TRUST  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTON  
COMMUNITY EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2017

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In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aston Community Education Trust and ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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.

ASTON COMMUNITY EDUCATION TRUST  
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTON  
COMMUNITY EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2017

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The work undertaken to draw our conclusion includes:

- the review for any transactions requiring prior approval from the Secretary of State and ensuring approval has been received where required;
- confirming that the academy trust has not sought borrowings that contravene section 3.4 of the Handbook;
- reviewing for connected party transactions and ensuring the academy has complied with section 3.2 of the Handbook;
- reviewing committee meeting minutes for indications of irregular transactions; and
- carrying out systems and controls testing and considering the effectiveness of such controls.

**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 2016 to 31 August 2017 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

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

Dated 20 December 2017



ASTON COMMUNITY EDUCATION TRUST  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted	Restricted	Restricted	Endow-	Total	Total
	Notes	Funds	General	Fixed	ment	2017	2016
		£'000	Funds	Asset	Funds	£'000	£'000
			£'000	Funds	£'000		
Income and endowments from:							
Donations and capital grants	2		10	2,786	-	2,796	187
Transfer from local authority on conversion	29	454	(2,498)	22,380	-	20,336	69
Transfer from Academy Trust	30	301	(1,310)	26,252	2,547	27,790	-
Charitable activities:							
Funding for the trust's educational operations	4	-	21,643	-	-	21,643	13,263
Other trading activities	3	80	197	-	-	277	87
Investments	5	2	17	-	-	19	3
Total income and endowments		837	18,059	51,418	2,547	72,861	13,609
Expenditure on:							
Raising funds	6	5	-	-	-	5	22
Charitable activities:							
Academy trust educational operations	7	-	22,683	1,995	15	24,693	14,200
Total expenditure	6	5	22,683	1,995	15	24,698	14,222
Net income/(expenditure)		832	(4,624)	49,423	2,532	48,163	(613)
Transfers between funds			(338)	338	-	-	-
Other recognised gains/(losses):							
Actuarial gain/(loss) on defined benefit pension schemes	20	-	1,188	-	-	1,188	(2,385)
Gains on investment assets	13	-	-	-	33	33	-
Net movement in funds		832	(3,774)	49,761	2,565	49,384	(2,998)
Reconciliation of funds							
Total funds brought forward		630	(5,028)	16,280	-	11,882	14,880
Total funds carried forward		1,462	(8,802)	66,041	2,565	61,266	11,882

**ASTON COMMUNITY EDUCATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

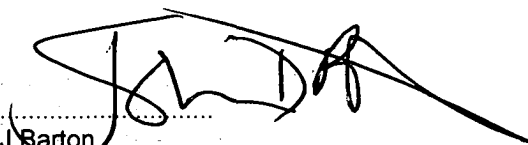
Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Endow- ment Funds £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:							
Donations and capital grants	2	-	-	187	-	187	474
Transfer from local authority on conversion		69	-	-	-	69	2,464
Funding for the trust's educational operations	4	-	13,263	-	-	13,263	12,319
Other trading activities	3	87	-	-	-	87	50
Investments	5	3	-	-	-	3	3
<b>Total income and endowments</b>		<b>159</b>	<b>13,263</b>	<b>187</b>	<b>-</b>	<b>13,609</b>	<b>15,310</b>
Expenditure on:							
Raising funds	6	22	-	-	-	22	-
Charitable activities:							
Academy trust educational operations	7	-	13,272	928	-	14,200	12,642
<b>Total expenditure</b>		<b>22</b>	<b>13,272</b>	<b>928</b>	<b>-</b>	<b>14,222</b>	<b>12,642</b>
<b>Net income/(expenditure)</b>		<b>137</b>	<b>(9)</b>	<b>(741)</b>	<b>-</b>	<b>(613)</b>	<b>2,668</b>
<b>Transfers between funds</b>			<b>(729)</b>	<b>729</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other recognised gains/(losses):							
Actuarial gain/(loss) on defined benefit pension schemes	20	-	(2,385)	-	-	(2,385)	(117)
<b>Net movement in funds</b>		<b>137</b>	<b>(3,123)</b>	<b>(12)</b>	<b>-</b>	<b>(2,998)</b>	<b>2,551</b>
Reconciliation of funds							
Total funds brought forward		493	(1,905)	16,292	-	14,880	12,329
<b>Total funds carried forward</b>		<b>630</b>	<b>(5,028)</b>	<b>16,280</b>	<b>-</b>	<b>11,882</b>	<b>14,880</b>

ASTON COMMUNITY EDUCATION TRUST  
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)  
AS AT 31 AUGUST 2017

Company number 07577113

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Fixed assets</b>					
Tangible assets	12		64,399		16,310
Investment assets	13		2,620		-
<b>Current assets</b>					
Stock	14	55		45	
Debtors	15	2,679		641	
Cash at bank and in hand		5,226		2,272	
		<u>7,960</u>		<u>2,958</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(3,156)		(1,459)	
<b>Net current assets</b>			<u>4,804</u>		<u>1,499</u>
<b>Total assets less current liabilities</b>			<u>71,823</u>		<u>17,809</u>
Creditors: Amounts falling due after more than a year	18		(198)		(164)
<b>Net assets excluding pension liability</b>			<u>71,626</u>		<u>17,645</u>
Defined benefit pension scheme liability	20		(10,360)		(5,763)
<b>Total net assets</b>			<u><u>61,266</u></u>		<u><u>11,882</u></u>
<b>Funds of the academy trust:</b>					
Fixed asset fund	19	66,041		16,280	
Restricted income fund	19	1,558		735	
Endowment fund	19	2,565		-	
Pension reserve	19	(10,360)		(5,763)	
<b>Total restricted funds</b>			<u>59,804</u>		<u>11,252</u>
Unrestricted income funds	19		1,462		630
<b>Total funds</b>			<u><u>61,266</u></u>		<u><u>11,882</u></u>

The accounts set out on pages 31 to 56 were approved by the board of Directors and authorised for issue on 18 December 2017 and are signed on its behalf by:

  
J Barton  
Chair of Directors/Trustees

ASTON COMMUNITY EDUCATION TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Net cash flows from operating activities					
Net cash provided by operating activities	23		196		316
Cash funds transferred on conversions			2,153		69
			<u>2,349</u>		<u>385</u>
Cash flows from investing activities					
Dividends, interest from investments		19		3	
Capital Grants from DfE and ESFA		1,775		187	
Payments to acquire fixed assets		(1,237)		(715)	
Proceeds from sales of fixed assets		-		2	
			<u>557</u>	<u>3</u>	<u>(523)</u>
Cash flows from financing activities					
New long term loan		48		66	
			<u>48</u>	<u>66</u>	<u>66</u>
Change in cash and cash equivalents in the reporting period			2,954		(72)
As at 1 September 2016			2,272		2,344
As at 31 August 2017			<u>5,226</u>		<u>2,272</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 2017

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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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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.

1.4 Transfer of existing academies into the trust

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 29.

The assets and liabilities transferred on re-brokerage of an existing academy to the 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 Academy Trust 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 30.

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.

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 2017

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

**Sponsorship income**

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

**Donations**

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

**Other income**

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

**Donated goods, facilities and services**

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

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

**1.5 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on raising funds**

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

**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.

**1.6 Fixed asset investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the period.

**1.7 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.

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 2017

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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	20 - 33.33% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 Stock

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

#### 1.11 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.

#### 1.12 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 20, 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  
FOR THE YEAR ENDED AUGUST 2017

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.

#### 1.13 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 and Skills 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 and Skills Funding Agency.

#### 1.14 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 20, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 AUGUST 2017

2. Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	2,786	2,786	187
Other donations	-	10	10	-
	<u>-</u>	<u>2,796</u>	<u>2,796</u>	<u>187</u>

3. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	26	-	26	5
Consultancy	5	-	5	6
Training Courses	3	-	3	16
External school support	-	197	197	22
Cover for teachers	46	-	46	38
	<u>80</u>	<u>197</u>	<u>277</u>	<u>87</u>

4. Funding for the academy trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General Annual Grant (GAG)	-	18,702	18,702	11,783
Start up Grants	-	295	295	70
Other DfE/ESFA grants	-	1,421	1,421	965
	<u>-</u>	<u>20,418</u>	<u>20,418</u>	<u>12,818</u>
Other Government Grants				
Local authority grants	-	231	231	150
Other	-	184	184	-
	<u>-</u>	<u>415</u>	<u>415</u>	<u>150</u>
Other income from the academy trust's educational operations	-	810	810	295
Total funding	<u>-</u>	<u>21,643</u>	<u>21,643</u>	<u>13,263</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	2	-	2	3
Dividends	-	17	17	-
	<u>2</u>	<u>17</u>	<u>19</u>	<u>3</u>

6. Expenditure

	Staff Costs £'000	Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations:					
Direct costs	15,653	2,024	1,589	19,266	10,852
Allocated support costs	2,470	936	2,021	5,427	3,348
	<u>18,123</u>	<u>2,960</u>	<u>3,610</u>	<u>24,693</u>	<u>14,200</u>
Expenditure on raising funds	-	-	5	5	22
	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>22</u>
Total expenditure	<u>18,123</u>	<u>2,960</u>	<u>3,615</u>	<u>24,698</u>	<u>14,222</u>

Net income/(expenditure) for the period includes:

	2017 £'000	2016 £'000
Fees payable to auditor for audit	35	16
other services	5	4
Operating lease rentals	30	50
Depreciation	1,995	930
(Gain)/loss on disposal of fixed assets	-	(2)
	<u>-</u>	<u>-</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

7. Charitable activities

	2017 £'000	2016 £'000
Direct costs	19,266	10,852
Support costs	5,427	3,348
	<u>24,693</u>	<u>14,200</u>

	2017 £'000	2016 £'000
Analysis of support costs		
Support staff costs	2,470	1,561
Premises costs	936	881
Other support costs	1,986	880
Governance costs	35	26
	<u>5,427</u>	<u>3,348</u>

8. Staff costs

	2017 £'000	2016 £'000
Wages and salaries	13,701	7,831
Social security costs	1,240	650
Operating costs of defined benefit pension schemes	2,807	1,366
Apprenticeship Levy	28	-
	<u>17,776</u>	<u>9,847</u>
Supply staff costs	215	438
Staff restructuring costs	6	8
Staff development and other staff costs	126	66
	<u>18,123</u>	<u>10,359</u>

Staff restructuring costs comprise:

Severance payments	<u>6</u>	<u>8</u>
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Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,336 (2016: £8,050). Individually, the payments were: £1,100 and £5,336.

ASTON COMMUNITY EDUCATION TRUST  
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Staff numbers

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

	2017 No.	2016 No.
Teachers	244	167
Administration and support	260	145
Management	32	18
	<u>536</u>	<u>330</u>

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

	2017 No.	2016 No.
Teachers	221	155
Administration and support	184	102
Management	31	18
	<u>436</u>	<u>275</u>

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

	2017 No.	2016 No.
£60,001 - £70,000	7	7
£70,001 - £80,000	3	3
£80,001 - £90,000	2	-
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-
	<u>13</u>	<u>11</u>

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 £1,102,000 (2016 - £737,000).

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.

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

The amounts charged during the year were as follows:

	2017 £'000	2016 £'000
Aston Academy	-	-
Thurcroft Junior Academy	19	151
Lowedges Junior Academy	107	141
Springwood Junior Academy	40	30
Swinton Academy	371	-
Aughton Junior Academy	23	-
Shirebrook Academy	74	-
Temple Normanton Junior Academy	10	-
Listerdale Junior Academy	10	-
	<u>654</u>	<u>322</u>

#### 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) £110,000 - £115,000 (2016: £140,000 - £145,000). Employer's pension contributions £15,000 - £20,000 (2016: £20,000 - £25,000). During the year, travel and subsistence payments totalling £nil (2016: £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 AUGUST 2017

12. Tangible fixed assets

	Leasehold Land and Buildings £'000	Fixtures, fittings & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>					
At 1 September 2016	18,353	760	1,189	88	20,390
Additions	1,297	103	158	-	1,558
Transfers in	48,026	295	197	8	48,526
Disposals	-	-	-	-	-
<b>At 31 August 2017</b>	<b>67,676</b>	<b>1,158</b>	<b>1,544</b>	<b>96</b>	<b>70,474</b>
<b>Depreciation</b>					
At 1 September 2016	3,042	197	795	46	4,080
Charged in year	1,581	153	248	13	1,995
Disposals	-	-	-	-	-
<b>At 31 August 2017</b>	<b>4,623</b>	<b>350</b>	<b>1,043</b>	<b>59</b>	<b>6,075</b>
<b>Net book value</b>					
At 31 August 2016	15,311	563	394	42	16,310
<b>At 31 August 2017</b>	<b>63,053</b>	<b>808</b>	<b>501</b>	<b>37</b>	<b>64,399</b>

13. Investments

	Units Trust £'000	Cash on deposit £'000	Total 2017 £'000	Total 2016 £'000
<b>Market Value 1 September 2016</b>	-	-	-	-
Transferred in	2,602	-	2,602	-
Revaluation Gain	33	-	33	-
Withdrawals	(15)	-	(15)	-
<b>Market Value 31 August 2017</b>	<b>2,620</b>	<b>-</b>	<b>2,620</b>	<b>-</b>

Investments held are in respect of an endowment fund acquired by the trust on the transfer of Shirebrook Academy. The trust is held for the benefit of the students and local community of Shirebrook Academy. All dividends received, £17,000 (2016 NIL) are paid directly to Shirebrook Academy whose governors administer the distribution of the funds adhering to the Deed entered into by the Secretary of State of Education and Allroads (the former sponsor of Shirebrook Academy). The Trustees of the fund Allroads resigned on 30<sup>th</sup> April 2017 and Aston Community Education Trust were appointed 30<sup>th</sup> April 2017 as part of the academy's transfer to the Trust. Held in investments are £55,000 relating to dividends reinvested by the Academy and as such are recognised in restricted reserves.

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

14. Stocks

	Total 2017 £'000	Total 2016 £'000
School Uniform	13	16
Stationery, books and equipment	42	29
	<u>55</u>	<u>45</u>

15. Debtors

	Total 2017 £'000	Total 2016 £'000
Trade debtors	92	2
VAT recoverable	355	256
Other debtors	275	-
Prepayments and accrued income	1,408	383
Balances due on conversions and transfers	549	-
	<u>2,679</u>	<u>641</u>

16. Creditors: amounts falling due within one year

	Total 2017 £'000	Total 2016 £'000
Trade creditors	1,713	865
Other taxation and social security	415	194
ESFA creditor: abatement of GAG	96	-
Government loans	18	11
Other creditors	363	157
Accruals and deferred income	551	232
	<u>3,156</u>	<u>1,459</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

17. Deferred income

	Total 2017 £'000	Total 2016 £'000
Deferred income is included within:		
Creditors due within one year	186	123
Deferred Income at 1 September 2016	123	80
Release from previous years	(123)	(80)
Amounts deferred in the year	186	123
Deferred income at 31 August 2017	186	123

At the balance sheet date the academy trust was holding in advance £81,704 of universal infant free school meal income, and £104,041 of planned pupil growth funding.

18. Creditors: amounts falling due after more than one year

	Total 2017 £'000	Total 2016 £'000
Government loans	198	164
Not wholly repayable within five years by instalments	216	175
Less: included in current liabilities	(18)	(11)
Amounts included above	198	164
Debt due in one year or less	18	11
Debt due in more than one year but not more than two years	22	22
Debt due in more than two years but not more than five years	83	66
Debt due in more than five years	93	76
	216	175

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 did 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 2018 assuming the project is complete. Repayments of £2,502 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)  
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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 2018 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 Academy, Swinton Academy, Aughton Junior Academy, Listerdale Junior Academy, Springwood Junior Academy and Thurstcroft Junior Academy each received loans of £8,000 as part of the Condition Improvement Funding grant. The loans are interest free loans with repayments set to commence on 1 September 2019 assuming the projects are complete. Repayments of £3,000 (£500 each project) will be made twice a year for 8 years until the loans are fully repaid.

## 19. Funds

### Restricted general funds

	Balance at 1 September 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2017 £'000
General Annual Grant	98	18,702	(17,743)	(338)	719
Start up grants	68	295	(93)	-	270
Other DfE/ESFA grants	145	1,421	(1,421)	-	145
Other government grants	-	415	(415)	-	-
Buildings maintenance fund	294	-	-	-	294
Other restricted funds	130	730	(730)	-	130
	<u>735</u>	<u>21,563</u>	<u>(20,402)</u>	<u>(338)</u>	<u>1,558</u>
Funds excluding pensions	(5,763)	(3,504)	(2,281)	1,188	(10,360)
Pension reserve	<u>(5,028)</u>	<u>18,059</u>	<u>(22,683)</u>	<u>850</u>	<u>(8,802)</u>
DfE/ESFA capital grants	2,598	2,776	(61)	-	5,313
Inherited funds	12,193	48,632	(1,637)	-	59,188
Capital expenditure from GAG	1,486	-	(296)	338	1,528
Private sector capital sponsorship	3	10	(1)	-	12
	<u>16,280</u>	<u>51,418</u>	<u>(1,995)</u>	<u>338</u>	<u>66,041</u>
Total restricted funds	<u>11,252</u>	<u>69,477</u>	<u>(24,678)</u>	<u>1,188</u>	<u>57,239</u>
Endowment funds	-	2,547	(15)	33	2,565
Unrestricted funds					
General funds	<u>630</u>	<u>837</u>	<u>(5)</u>	<u>-</u>	<u>1,462</u>
Total funds	<u>11,882</u>	<u>72,861</u>	<u>(24,698)</u>	<u>1,221</u>	<u>61,266</u>

### 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 2017.

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

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**Start up grants**

This includes grants to support the trust in the conversion of Temple Normanton Primary School which joined the trust 1 May 2017 it also includes regional academy growth funding grants received for sponsor capacity and development of a regional hub in Derbyshire.

**Other DfE/ESFA 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 include 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 £338,000 has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction 2016 to 2017.

The restricted pension fund is in deficit to the value of £10,360,000 as at 31 August 2017. 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)  
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Total fund analysis by academy

	Total 2017 £'000	Total 2016 £'000
Fund balances at 31 August 2017 were allocated as follows:		
Aston Academy	508	679
Swinton Academy	72	-
Shirebrook Academy	1,628	-
Aughton Junior Academy	(38)	-
Lowedges Junior Academy	30	74
Listerdale Junior Academy	(34)	-
Springwood Junior Academy	(64)	10
Thurcroft Junior Academy	163	167
Temple Normanton Junior Academy	81	-
Central Services	674	435
Total before fixed assets fund, endowment fund and pension reserve	3,020	1,365
Restricted fixed asset fund	66,041	16,280
Endowment fund	2,565	-
Pension reserve	(10,360)	(5,763)
Total funds	61,266	11,882

Aughton Junior Academy invested in additional classroom equipment during the year and will repay the Trust in future periods.

Listerdale Junior Academy joined the trust with a deficit incurred prior to becoming an academy under the local authority. The academy has entered into a payment plan with the ESFA

Springwood Junior Academy invested in additional classroom equipment during the year and will repay the Trust in future periods.

Total cost analysis by academy

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

	Teaching & educational support staff costs £'000	other staff costs £'000	Educa- tional supplies £'000	Other costs excluding depre- ciation £'000	Total £'000
Aston Academy	7,372	878	226	1,376	9,852
Swinton Academy	3,246	696	29	1,013	4,984
Shirebrook Academy	1,213	297	35	334	1,879
Aughton Junior Academy	479	53	26	295	853
Listerdale Junior Academy	178	29	6	86	299
Lowedges Junior Academy	1,169	100	11	405	1,685
Springwood Junior Academy	721	110	17	234	1,082
Temple Normanton Junior Academy	115	10	1	53	179
Thurcroft Junior Academy	751	122	17	286	1,176
Central Services	409	175	-	129	713
	15,653	2,470	368	4,211	22,702

## 20. 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 2016.

Contributions amounting to £341,000 (2016: £154,000) were payable to the schemes at 31 August 2017 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

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 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48%, 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 £1,579,000 (2016: £922,000).

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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 11.6% - 21% for employers and 5.5%-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £975,000.

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

The pension scheme deficit, total value of the trust's assets less its share of its obligations is £10,

	2017 £'000	2016 £'000
Total contributions made		
Employer's contributions	755	405
Employees' contributions	215	122
Total contributions	<u>970</u>	<u>527</u>

Principal actuarial assumptions	2017 %	2016 %
Rate of increase in salaries	3.3	3.65
Rate of increase in pension payment	2.2	2
Discount Rate	2.5	2.2
Inflation assumption	1.9	1.9

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

	2017 Years	2016 Years
Retiring today		
- Males	23.1	23.0
- Females	25.8	25.7
Retiring in 20 years		
- Males	24.4	25.4
- Females	27.2	28.5

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

	2017	2016
	Fair value	Fair value
	£'000	£'000
Equities	5,498	1,984
Bonds	1,178	509
Other bonds	583	211
Cash/liquidity	744	58
Property	274	374
Other assets	467	261
Total market value of assets	<u>8,744</u>	<u>3,397</u>

Actual return on scheme assets - gain/(loss)

791 525

Amounts recognised in the statement of financial activities

	2017	2016
	£'000	£'000
Current service cost (net of employee contributions)	1,183	425
Net interest cost	195	123
Administration expenses	12	8
Total operating charge	<u>1,390</u>	<u>556</u>

Changes in the present value of defined benefit obligations

	2017	2016
	£'000	£'000
Obligations at 1 September 2016	9,160	5,641
Obligations acquired on conversions	3,849	-
Obligations acquired on transfers from academy trusts	5,198	-
Current service cost	1,183	425
Interest cost	325	228
Employee contributions	215	122
Actuarial (gain)/loss	(747)	2,805
Benefits paid	(79)	(61)
At 31 August 2017	<u>19,104</u>	<u>9,160</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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Changes in the fair value of the academy trust's share of scheme assets	2017	2016
	£'000	£'000
Assets at 1 September 2016	3,397	2,414
Assets acquired on conversions	1,351	-
Assets acquired on transfers from academy trusts	2,546	-
Interest income	130	105
Actuarial gain/(loss)	441	420
Employer contributions	755	405
Employee contributions	215	122
Benefits paid	(79)	(61)
Administration expenses	(12)	(8)
At 31 August 2017	<u>8,744</u>	<u>3,397</u>

21. Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Endow- ment Funds £'000	Total 2017 £'000	Total 2016 £'000
Tangible fixed assets	-	-	64,399	-	64,399	16,310
Investment assets	-	55	-	2,565	2,620	-
Current assets	1,462	4,253	2,246	-	7,961	2,958
Creditors falling due within one year	-	(2,750)	(406)	-	(3,156)	(1,459)
Creditors falling due after one year	-	-	(198)	-	(198)	(164)
Defined benefit pension liability	-	(10,360)	-	-	(10,360)	(5,763)
	<u>1,462</u>	<u>(8,802)</u>	<u>66,041</u>	<u>2,565</u>	<u>61,266</u>	<u>11,882</u>

22. Reconciliation of net cash flow to movement in net funds

	Total 2017 £'000	Total 2016 £'000
Increase/(decrease) in cash	2,951	(72)
New long term loan	(48)	(66)
Net funds at 1 September 2016	<u>2,097</u>	<u>2,235</u>
Net funds at 31 August 2017	<u>5,000</u>	<u>2,097</u>

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

23. Reconciliation of net income(expenditure) to net cash flows from operating activities

	Total 2017 £'000	Total 2016 £'000
Excess of income over expenditure	48,163	(613)
Adjusted for:		
Net surplus transferred in	(48,126)	(69)
Capital Grants received	(2,786)	(187)
Investment Income	(19)	(3)
Investment Management costs	15	-
Defined benefit pension costs less contributions payable	423	28
Defined benefit pension net finance costs	207	123
Depreciation	1,995	930
Disposal of Fixed assets	-	(2)
(Increase)/decrease in stocks	(10)	11
(Increase)/decrease in debtors	(1,027)	(115)
Increase/(decrease) in creditors	1,361	213
Net cash provided by operating activities	<u>196</u>	<u>316</u>

24. Commitments under operating leases

At 31 August 2017 the total minimum lease payments under non-cancellable operating leases were as follows:

	Total 2017 £'000	Total 2016 £'000
Amounts due within one year	24	12
Amounts due within two and five years	5	11
	<u>29</u>	<u>23</u>

25. Capital Commitments

	Total 2017 £'000	Total 2016 £'000
Expenditure contracted for but not provided in the accounts	<u>1,758</u>	<u>157</u>

The Academy Trust has received capital grant funding to cover the cost of the above projects except for £48,000 (2016 - £66,270) which has been provided in the form of an ESFA 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.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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26. 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.

27. Post Balance Sheet Events

After the year end the regional schools' commissioner announced that the trust is a preferred sponsor for Brookfield Primary Academy which is currently part of the Wakefield City Academies Trust.

28. 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.

29. Conversion to an academy

On 1 October 2016 Swinton Comprehensive School and Aughton Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aston Community Education Trust from the Rotherham Local Authority for £nil consideration.

On 1 May Temple Normanpton Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aston Community Education Trust from the Derbyshire Local Authority for £nil consideration.

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

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

Swinton Comprehensive School

Funds surplus/(deficit) transferred:

	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Total funds £'000
<b>Fixed assets funds</b>				
Leasehold land and buildings	-	-	17,086	17,086
Other tangible fixed assets	-	-	63	63
<b>LA budget funds</b>	226	-	-	226
<b>School private fund</b>	60	-	-	60
<b>LGPS pension funds</b>	-	(2,071)	-	(2,071)
<b>Net Assets</b>	<u>286</u>	<u>(2,071)</u>	<u>17,149</u>	<u>15,364</u>

Land and building are on a long leasehold from Rotherham Council for 125 years.

ASTON COMMUNITY EDUCATION TRUST  
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FOR THE YEAR ENDED AUGUST 2017

Aughton Primary School

Funds surplus/(deficit) transferred:

	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Total funds £'000
<b>Fixed assets funds</b>				
Leasehold land and buildings	-	-	3,560	3,560
Other tangible fixed assets	-	-	25	25
<b>LA budget funds</b>	50	-	-	50
<b>School private fund</b>	27	-	-	27
<b>LGPS pension funds</b>	-	(370)	-	(370)
<b>Net Assets</b>	<b>77</b>	<b>(370)</b>	<b>3,585</b>	<b>3,292</b>

Land and building are on a long leasehold from Rotherham Council for 125 years.

Temple Normanton Primary School

Funds surplus/(deficit) transferred:

	Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Total funds £'000
<b>Fixed assets funds</b>				
Leasehold land and buildings	-	-	1,616	1,616
Other tangible fixed assets	-	-	25	25
DFC budget funds	-	-	5	5
<b>LA budget funds</b>	86	-	-	86
<b>School private fund</b>	5	-	-	5
<b>LGPS pension funds</b>	-	(57)	-	(57)
<b>Net Assets</b>	<b>91</b>	<b>(57)</b>	<b>1,646</b>	<b>1,680</b>

Land and building are on a long leasehold from Derbyshire Council for 125 years.

30. Transfers into Trust of existing academies

On 1 May 2017 Shirebrook Academy re-brokered to Aston Community Academy Trust and all the operations and assets and liabilities were transferred to Aston Community Education Trust from the Shirebrook Academy multi-academy trust sponsored by Allroad for £nil consideration.

On 1 June 2017 Listerdale Academy re-brokered to Aston Community Academy Trust and all the operations and assets and liabilities were transferred to Aston Community Education Trust from the Children's Academy Trust for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from Academy Trust.

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

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

Shirebrook Academy

	Value Reported By transferring trust £'000	Fair value adjustments £'000	Transfer In recognised £'000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	23,388	-	23,388
Furniture and equipment	146	-	146
Computer equipment	210	-	210
Motor vehicles	7	-	7
<b>Non-current financial assets</b>			
Investments	2,602	-	2,602
<b>Current financial assets</b>			
Debtors due in less than one year	610	-	610
Cash in bank and in hand	1,520	-	1,520
<b>Liabilities</b>			
Creditors due in less than one year	(420)	-	(420)
<b>Pensions</b>			
Pensions – pension scheme assets	2,207	-	2,207
Pensions – pension scheme liabilities	(4,026)	-	(4,026)
<b>Net assets / (liabilities)</b>	<u>26,244</u>	<u>-</u>	<u>26,244</u>

Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Endow- ment Funds £'000	Total 2017 £'000
256	(403)	23,844	2,547	26,244

ASTON COMMUNITY EDUCATION TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED AUGUST 2017

Listerdale Academy

	Value Reported By transferring trust £'000	Fair value adjustments £'000	Transfer In recognised £'000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	2,377	-	2,377
Furniture and equipment	16	-	16
Computer equipment	6	-	6
<b>Current financial assets</b>			
Debtors due in less than one year	71	-	71
Cash in bank and in hand	103	-	103
<b>Liabilities</b>			
Creditors due in less than one year	(194)	-	(194)
<b>Pensions</b>			
Pensions – pension scheme assets	339	-	339
Pensions – pension scheme liabilities	(1,172)	-	(1,172)
<b>Net assets / (liabilities)</b>	<u>1,546</u>	<u>-</u>	<u>1,546</u>

Unrestricted Funds £'000	Restricted General Funds £'000	Fixed Asset Funds £'000	Total 2017 £'000
45	(907)	2,408	1,546