

Company Registration No. 07577113 (England and Wales)

ASTON COMMUNITY EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



ASTON COMMUNITY EDUCATION TRUST

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ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

J Barton (Chair of Directors/Trustees)
R Dyson
J Swift
C Kinsella
M E Parker
A Brickles
J Hudson
I Somerville

Members

J Barton
R Dyson
P Bennett
T Baum-Dixon
J Sharman

Senior management team

- CEO/Accounting Officer	E Newton
- Executive Principal	J Sanigar
- Executive Principal (Derbyshire Junior Academies)	K Wright
- Principal	R Hibberd
- Principal	D Curran
- Principal	R Porter
- Principal	E Swindells
- Principal	C Keeton
- Principal	M Cottingham
- Principal	C Gratton
- Principal	R Scutt
- Principal	A Liversidge
- Principal	D Simpson
- Trust Improvement Leader	L Selkirk

Company registration number

07577113 (England and Wales)

Registered office

ACET House
66 Holderness Drive
Aston
Sheffield
S26 2BH

ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Head of Academy
Aston Academy	Rotherham	D Curran
Thurcroft Junior Academy	Rotherham	R Porter
Lowedges Junior Academy	Sheffield	R Scutt
Springwood Junior Academy	Rotherham	C Keeton
Aughton Junior Academy	Rotherham	E Swindells
Swinton Academy	Rotherham	R Hibberd
Shirebrook Academy	Mansfield	M Cottingham
Temple Normanton Junior Academy	Chesterfield	K Wright
Listerdale Junior Academy	Rotherham	D Simpson
Brookfield Junior Academy	Rotherham	C Gratton
Langwith Basset Junior Academy	Mansfield	A Liversidge
 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 2018

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 2018. 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 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".

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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 following policies approved by the Trustees:

- Purchases of goods and services up to £10,000 allowed providing the market has been tested and the principles of best value applied;
- Purchases of goods and services over £10,000 and up to £75,000 providing at least 2 quotes are obtained, a written record of all quotes including verbal kept with the purchase order, and the principles of best value are applied;
- 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, with the assistance of an independent external advisor. In line with the latest DfE guidance there are no members who are employed by the academy Trust.

As ACET has more than 49 full time equivalent employees throughout any the relevant reporting period, as required, under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, please see below information as required in Schedule 2 of the Regulations. The information below consists of four tables:

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.8

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FOR THE YEAR ENDED 31 AUGUST 2018

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time:

Provide the total cost of facility time	£5,539
Provide the total pay bill	£22,437,625
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time + total pay bill) × 100	2.5%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period + total paid facility time hours) × 100	13.35%
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Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details.

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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 complied with their duty to 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.

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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 be as follows:

- 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.

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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. As the trust has grown during 2017 / 2018, 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 development programmes

Following the success of the ALP leadership programme an additional development programme for foundation teachers, the FALP programme, was introduced in September 2017. The aim of the programme was to provide accelerated leadership and management training for foundation staff who had the potential to be foundation leaders in the future. In addition, a leadership programme for junior and secondary staff, the Leaders for the Future programme, was introduced in September 2017. This was aimed at staff who had demonstrated the aptitude, ambition and commitment to progress to leadership positions within the trust early in their careers. The programme has included training on:

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

Staff were 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.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

ITT Partnerships

In 2017-2018 Aston Academy was the lead school for Aston Academy School Direct (now known as ACET School Direct), 16 trainees were recruited to the trust's School Direct programme in partnership with The University of Sheffield and Sheffield Hallam University. Of the 16 recruited, only 2 trainees 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 and at Shirebrook Academy. Many of the School Direct trainees were successful in gaining jobs at other schools early in the recruitment period and 3 trainees were recruited to Aston Academy (History, Science and Maths). In addition Shirebrook School Direct recruit trainees from Sheffield Hallam University and Nottingham University.

Outcomes 2018 – Secondary KS4

Although this is the second year of reform for English Language, English Literature and Mathematics, 2018 represents further significant reform to the examination system which now sees 23 subjects in England using 9-1 grading scale. A new Science Double Award in England and Wales has replaced the Science and Additional Science GCSE. Entry patterns for Science GCSE have historically been complex. The new Double Award in England counts for two GCSEs and its grading ranges from 9-9, 9-8, 8-8...all the way to 1-1. The complexity of previous entry patterns and the change to what students are now studying makes year on year comparisons problematic.

	Aston	Swinton	Shirebrook
KS2APS	29.5	26.7	28.7
4+En Lan/Lit	69%/73%	56%/63%	64%/63%
4+En Lan/Lit DD	57%/63%	36%/41%	52%/63%
4+ BEST ENG	78%	65%	70%
4+Ma	81%	67%	60%
4+ Ma DD	67%	53%	52%
4+ En and ma	72%	57%	57%
4+ En and ma DD	60%	42%	47%
5+En Lan/Lit	53%/49%	39%/40%	36%/41%
5+EnLa/Lit DD	40%/44%	19%/22%	21%/33%
5+ BEST Eng	59%	47%	50%
5+Ma	57%	41%	42%
5+ma DD	52%	30%	31%
5+ En and ma	46%	33%	34%
5+ En and ma DD	35%	19%	23%
7+ EnLa/Lit	16%/18%	12%/6%	8%/13%
7+En DD	10%/16%	6%/2%	8%/12%
7+ ma	20%	8%	13%
7+ ma DD	21%	0%	6%
P8	-0.18	-0.12	-0.52
P8 DD	-0.56	-0.49	-0.63
P8 Eng	-0.32	-0.06	-0.54
P8 Eng DD	-0.66	-0.48	-0.63

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P8 ma	-0.2	0.17	-0.52
P8 ma DD	-0.57	-0.09	-0.64
A8	48.6	39.9	42.1
A8 DD	43.32	31.6	37.4
A8 Eng	5.05	4.42	4.54
A8 Eng DD	4.55	3.56	4.11
A8 ma	4.85	4.06	4.11
A8 ma DD	4.43	3.34	3.59
Ebacc 4+	39%	14%	16%
Ebacc 4+ DD	26%	4%	12%
Ebacc 5+	25%	10%	10%
Ebacc 5+ DD	13%	4%	8%
Ebacc Entry	70%	23%	19%
	Aston	Swinton	Shirebrook
Ebacc EntryDD	53%	21%	17%
Ebacc aps	4.42	3.48	3.52
Ebacc aps DD	3.81	2.73	3.11
Average no of subject entries	9.1	7.87	7.9
Average no of subject entries DD	8.53	7.54	7.7
Attendance	95.1%	95.3%	95.4%
Attendance DD	92.2%	93.7%	94%

Aston's combined at 71% 4+ placed the academy in a strong position within the LA and at national level. Outcomes at the higher grades in English improved and the focus on securing the highest-grade shows evidence of impact. Maths achieved a good set of outcomes but disappointingly below expectations. The impact of the focus on French is evident with a 17% increase at 4+. Outcomes in RE, and History are strong and whilst the Ebacc outcome is still below target it is the highest at 4+ and 5+ in the LA with a strong new Ebacc APS measure at 4.4. The new double Science award is above national and results in triple Science are strong at 4+ and 5+ and at 7+ in Chemistry and Biology.

Shirebrook's headline outcomes showed a significant improvement on 2017 but fell short of forecasts and challenging targets indicating that there is still work to be done to secure better progress for all students. English and Maths improved on previous years, significantly so at 5+ in Maths, although both remained below 2018 national averages. The combined English and Maths outcomes improved by 12% at 4+ and 11% at 5+. Languages, Media, Photography, RM, H&SC and Sport performed well. Science improved significantly, both in combined and single sciences, although outcomes at the 5+ threshold were weakest. Outcomes in a number of foundation subjects were below target and expectations.

At Swinton most headline outcomes in English and Mathematics were close to or above target. Despite the low prior attainment of the cohort students achieved in excess of FFT20. The weaker elements were at 7+. However, outcomes across a broad range of Ebacc subjects, including History, Geography, PE and Combined Science were well below national.

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Junior academies

The outcomes at KS2 for most Junior Academies improved in 2018.

KS2

TJA

An unusual and overall disappointing set of outcomes because of the impact of Reading outcomes on the overall combined measure. The improvement in maths shows an overall progress measure which is now in line with national. Combined was just above national. The recent Good Ofsted validates good provision.

LJA

Combined at 53% met FFT20 but was below target set and below prediction. Reading improved at both expected and greater depth, Maths is a concern. Attainment was below national, but progress was in line with national.

SJA

A strong set of results with a difficult and yet small cohort. Progress was in line with national across the board. The recent Outstanding Ofsted validates outstanding provision.

AJA

The aspirational combined target has not been realised as a result of weaker than expected outcomes in Reading. Progress was in line with national.

LDJA

There has been a steady improvement to 71% combined, an increase from 48% two years ago. FFT20 was 73%. SPaG was a significant strength and Reading at greater depth was also strong. Maths was weaker at greater depth. The recent Good Ofsted validates good provision.

TNJA

There has been a significant transformation resulting in strong outcomes. Combined is above national and attainment and progress measures were in line with national.

BJA

Combined results were disappointing despite them being 10% higher than in 2017. Outcomes were close to or at 50% in Reading and Maths but there were pupils not securing both. There was a significant legacy of underperformance prior to them joining ACET in April 2018 and attainment and progress measures were significantly below national.

LBJA

Outcomes at 71% combined were the best in the academy's recent history. Attainment and progress measures were in line with national. The recent Good Ofsted validates good provision.

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Academy	Cohort	Maths Target %	Maths Prediction %	Maths 2018 NAT= 76%	Reading Target %	Reading Prediction %	Reading 2018 NAT= 75%	SPaG Target %	SPaG Prediction %	SPaG 2018 NAT= 78%	Combined Target %	Combined Prediction %	Combined Outcome (FFT20. 50) NAT = 64%
TJA	62	88	89	85	85	79	69	88	84	85	80	73	66 (80 74)
AJA	27	81	81	78	81	81	67	74	81	81	74	81	63 (71 64)
SJA	17	81	82	76	81	82	76	81	76	88	75	76	71 (63 55)
LJA	36	83	72	58	66	75	67	66	70	58	66	72	53 (52 45)
LDJA	31	78	81	77	78	81	77	78	81	87	73	81	71 (73 66)
TNJA	9	82	77	78	82	77	78	82	77	67	82	77	78 (73 66)
BJA	34	77	74	50	74	68	47	78	62	47	65	51	35 (65 57)
LBJA	14	n/a	n/a	79	n/a	n/a	93	n/a	n/a	86	n/a	n/a	71 (76 70)

Writing Teacher Assessment

Academy	National Standard 2017 = 76%	Greater Depth 2017 = 18%
TJA	94%	15%
LJA	72%	11%
SJA	82%	24%
AJA	81%	15%
LDJA	87%	23%
TNJA	78%	33%
BJA	85%	12%
LBJA	71%	21%

KS1

Across the trust KS1 outcomes are closely tracked. As long as the cohort is stable then outcomes in each subject area should remain 'in-line' at the end of each year if children are making good progress. This is the key leadership message across the trust.

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KS1 OUTCOMES ACADEMY	COHORT	MATHS TARGET	MATHS PREDICTION OUTCOME (Nat 2018 = 76%)	READING TARGET	READING PREDICTION OUTCOME (Nat 2018 = 75%)	SPaG TARGET	SPaG PREDICTION OUTCOME	Writing Outcome 2018 Nat 2018 = 70%
AJA	29	79%	79% 76%	79%	79% 72%	76%	76% 62%	62%
SJA	24	88%	80% 80%	88%	80% 84%	80%	80% 76%	76%
LJA	48	79%	82% 82%	75%	75% 72%	75%	70% n/a	72%
LDJA	44	82%	80% 77%	84%	80% 80%		77% n/a	75%
TNJA	16	88%	81% 88%	88%	81% 81%	88%	81% 81%	75%
BJA	34	79%	79% 76%	79%	76% 70%	74%	76% 70%	73%
LBJA	13	N/A	77%	N/A	69%	N/A	54%	54%

Changes were made within the 2017/18 writing TA frameworks, which means that judgements in 2018 are not directly comparable to those made using the previous interim frameworks in 2016 and 2017.

EYFS

The raised profile of outcomes in addition to overall GLD has contributed to raised standards as has the expectation on detailed analysis of performance of groups from Foundation Stage Leaders. Staff in KS1 are now focused on tracking from EYFS. The improvement at Temple Normanton is significant. Recent evaluation of Listerdale EYFS from within the trust is that provision in EYFS is now securely good following detailed action in the Autumn and Spring terms. The outcomes at LBJA are unusual across the trust and nationally. Although baseline assessment is very low on entry at this academy, this will be a focus of scrutiny going forward.

Phonics outcomes are a strength across the trust. There is strong leadership, a strong focus and frequent training in this area. Further scrutiny across the trust will be on those pupils who have met the 'check' but who are not secure across all sounds and ensuring that Reading is always high profile.

PHONICS Year 1 ACADEMY Nat 2018 = 82%	COHORT	TARGET	PREDICTION	Outcomes 2018
AJA	30	86%	80%	77%
SJA	24	85%	85%	83%
LJA	53	79%	75%	81%
LDJA	47	90%	89%	89%
TNJA	7	85%	86%	86%
BJA	30	90%	83%	83%
LBJA	10	n/a	n/a	90%

EYFS OUTCOMES ACADEMY	Cohort	Target	Prediction	GLD Nat 2018 = 71.5%
LJA	36	79%	75%	78%
SJA	20	76%	80%	84%

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

AJA	28	79%	75%	67%
LDJA	47	85%	79%	79%
TNJA	9	90%	89%	88%
BJA	27	78%	78%	78%
LBJA	17	n/a	n/a	35%

OFSTED 2018

Four of our academies were inspected during the 2017-2018 academic year.

LDJA was graded good in a short inspection in October 2017. Areas for improvement include ensuring 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

AA and TJA had Section 8 inspections due to their previous Good judgements and both academies were rated as good.

AA areas for improvement include ensuring that:

- teachers across different curriculum areas meet the needs of all pupils, particularly those that are disadvantaged and most able, to ensure they make even better progress
- leaders and governors challenge how well and how consistently teachers use classroom policies and practices to ensure that all learners progress well in all subjects

TJA areas for improvement include ensuring that:

- teachers have consistently high expectations of pupils' presentation, including handwriting and spelling, particularly in mathematics and the foundation subjects
- teachers provide pupils with more opportunities to practise their writing and mathematics skills across the wider curriculum
- they develop the assessment of pupils' progress and attainment in the foundation subjects so that teachers can plan work that builds on pupils' prior knowledge and understanding in all subjects.

SJA was inspected under Section 5 due to their not having been inspected since joining the trust and their previous judgement was Requires Improvement. The junior academy did exceptionally well, achieving a grade of Outstanding in all four Ofsted areas and judgement of Outstanding overall – ACET's first academy to do so.

- To improve even further SJA should focus on: providing consistent opportunities in science across all classes, building on existing good practice, to develop and extend pupils' scientific and mathematical skills and to improve pupils' understanding of health and diet
- deepening pupils' knowledge and understanding of different faiths and cultures represented in modern Britain

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

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 local authority are our principal partners in the design and the build of the site and it is due to open in September 2020.

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 Trustees, 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 2018 the net book value of fixed assets was £69,401,000. Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The Trust has generated an in-year deficit for the year ended 31 August 2018 of £743,000. This is calculated as the movement in restricted general funds (excluding the movement in the pension reserve) plus the movement in the unrestricted funds.

Reserves held by the Trust as at 31 August 2018 were £2,227,000. This balance excludes the restricted asset fund, the pension reserve and the endowment fund balances as at 31 August 2018 and is therefore made up of the restricted income fund balance plus the unrestricted fund balance.

The policies held by the Trust regarding investment and reserves are outlined below.

During the year we have received notification that due to the growth in size, the trust now meets the criteria to qualify for the School Condition Allocation, grant, together with Healthy Pupils Capital Funding – the funding will be for each of the next three financial years from April to March and commenced in April 2018. These grants have replaced, our previous process of bidding for School Condition Improvement Fund and will lead to significant

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

improvements in the overall condition of the estate. Devolved Formula Capital, continues to be received in respect of each academy within the trust.

The trust has seen a reduction in reserves, as a consequence of the continuing restrictions on funding and despite, several academies having reduced overall expenditure.

The Trust considers integrated curriculum and financial planning to be at the heart of the planning framework and such considerations inform all discussions and decisions at senior level across the trust. Senior staff within the trust are working towards producing transparent policies documenting this mechanism. The trust continues to have in place and adhere to a robust control framework including:

- ensuring delegated financial authorities are complied with
- maintaining appropriate segregation of duties
- co-ordinating the planning and budgeting process
- applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- planning and oversight of any capital projects
- management and oversight of assets
- regularity, propriety and value for money in the organisation's activities
- reducing the risk of fraud and theft
- independent checking of financial controls, systems, transactions and risks.

Trust growth continued into this year, including a re-brokerage from another trust, leading to continued very significant demand on the trust's School Improvement Team. This has been managed by careful deployment of key staff and support via the RSC, however, we have now entered what is likely to be an extended period of consolidation, with the exception of the planned growth of the new Waverley Junior Academy opening in September 2020 for which ACET is the chosen sponsor. More radical cost saving strategies are being developed to address in particular the challenges of the next two to three years to ensure stability and sustainability whilst continuing to ensure sufficiently well-resourced academies, at least maintain and exceeding whenever possible the pace of pupil / student progress.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Endowment Fund

Our unit trust investments generated £56,000 of dividend income during the year. Following a £101,000 increase in the valuation of the units (after valuation movement and management charges) in which our investments are placed over the year. Our investment in Units now stands at £2,721,000 (2017 - £2,620,000), which includes £55,000 (2017 - £55,000) of reinvested dividends from prior years.

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). Going forward the reserves policy has a target to build up to between 1 & 2 months operating costs for each academy to ensure sufficient funds to mitigate areas of high risk across the MAT.

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.

As at 31 August 2018 the Trust had restricted reserves of £594,000 (2017 - £1,558,000) and unrestricted reserves of £1,683,000 (2017 - £1,462,000).

The restricted pension fund reserve is in deficit to the value of £9,895,000 as at 31 August 2018. 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 Business and Finance Committee

The Audit & 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).

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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;
- 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.

ASTON COMMUNITY EDUCATION TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

Trustees are mindful of their responsibilities linked to fund raising activities and adhere to the following principles to ensure compliance with regulatory and statutory obligations:

- Planning effectively
- Supervising fundraising activities
- Protecting you're the trust's reputation, money and other assets
- Identifying and ensuring compliance with the laws or regulations that apply specifically to ACET's fundraising
- Identifying and following any recognised standards that apply to the trust's fundraising activities
- Being open and accountable

Whilst fund raising initiatives are not a large part of the trust's activities, trustees remain mindful of the need to protect vulnerable people and other members of the public from behaviour, in the course of fundraising, which is unreasonably intrusive or persistent, or involves placing undue pressure on a person to donate.

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.

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 local authority are our principal partners in the design and the build of the site and it is due to open in September 2020.

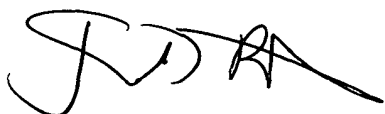
Auditor

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 20 December 2018 and signed on the board's behalf by:



J Barton
Chair of Trustees

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the 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 Trustees' 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 of Trustees was as follows:

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	7	7
R Dyson	4	7
J Swift	5	7
C Kinsella	7	7
M E Parker	4	7
A Brickles	7	7
J Hudson	7	7
I Somerville	5	7

Significant changes were implemented within the board in the prior academic year, in that a total of 4 new Trustee's and 2 new members were appointed. No significant changes have been implemented this year. The boards performance has been reviewed and it is operating effectively.

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

Under Trustee 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 development on Local Governing Body's to ensure relevant skills level 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 operating 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 of 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 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	3	3
C Kinsella	3	3
M E Parker	2	3
A Brickles	3	3
I Somerville	1	3

As Accounting Officer the CEO has responsibility for ensuring that the 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 provisions, 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 2018 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 2018 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.

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 receipt of income systems;
- testing of Endowment Fund ownership
- testing and review of Endowment Fund expenditure
- testing of procedures for the recording of financials and reporting to governors; and

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

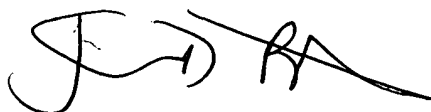
The board of Trustees confirm that Hart Shaw LLP have delivered their schedule of work as planned. All recommendations for improvement have been implemented in a timely manner throughout the year.

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 20 December 2018 and signed on its behalf by:



J Barton
Chair to the board of Directors/Trustees



E Newton
Accounting Officer

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Aston Community Education Trust I have considered my responsibility to notify the academy trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of Directors 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 2017.

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 Directors and ESFA.



E Newton
Accounting Officer

20 December 2018

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The directors (who also act as trustees for Aston Community Education Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Academies Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Directors are required to:

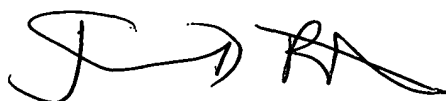
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 ESFA/DfE have been applied for the purposes intended.

The Directors 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 Directors on 20 December 2018 and signed on its behalf by:



J Barton

Chair of Directors/Trustees

ASTON COMMUNITY EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Aston Community Education Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & 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 2018 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 2017 to 2018.

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 Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors 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 Directors 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 TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' 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 Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors 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 Directors 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 Directors 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 Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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.

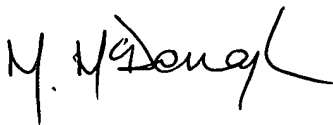
ASTON COMMUNITY EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

21 December 2018

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

ASTON COMMUNITY EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

The work undertaken to draw our conclusion includes:

- systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements;
- detailed substantive testing on revenue and capital transactions to ensure these have been properly reflected and recorded in the financial statements and are for the purpose of the trust; and
- a detailed review of related parties to ensure trustees are not benefitting from transactions with the trust.

ASTON COMMUNITY EDUCATION TRUST

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

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

Dated: 21 December 2018

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Endowment Fixed asset £'000	Funds £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	5	16	1,743	-	1,764
Donations - Transfer from local authority on conversion	29	71	(48)	1,609	-	1,632
Donations - Transfer of existing academy into the trust	30	-	(649)	2,752	-	2,103
Donations - Acquisition of Unincorporated Charity	31	70	135	69	-	274
Charitable activities:						
- Funding for educational operations	5	-	27,650	-	-	27,650
Other trading activities	4	73	367	-	-	440
Investments	6	2	56	-	-	58
Total		<u>221</u>	<u>27,527</u>	<u>6,173</u>	<u>-</u>	<u>33,921</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	29,971	2,668	-	32,639
Endowment repayment and costs		-	-	-	26	26
Total	7	<u>-</u>	<u>29,971</u>	<u>2,668</u>	<u>26</u>	<u>32,665</u>
Gains on endowment investments		-	-	-	126	126
Net income/(expenditure)		<u>221</u>	<u>(2,444)</u>	<u>3,505</u>	<u>100</u>	<u>1,382</u>
Transfers between funds	20	-	(209)	209	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	26	-	2,154	-	-	2,154
Net movement in funds		<u>221</u>	<u>(499)</u>	<u>3,714</u>	<u>100</u>	<u>3,536</u>
Reconciliation of funds						
Total funds brought forward		<u>1,462</u>	<u>(8,802)</u>	<u>66,041</u>	<u>2,565</u>	<u>61,266</u>
Total funds carried forward		<u>1,683</u>	<u>(9,301)</u>	<u>69,755</u>	<u>2,665</u>	<u>64,802</u>

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds: Endowment			Total
Year ended 31 August 2017		Funds	General	Fixed asset	Funds	2017
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	10	2,786	-	2,796
Donations - Transfer from local authority on conversion		454	(2,498)	22,380	-	20,336
Donations - Transfer of existing academy into the trust		301	(1,310)	26,252	2,547	27,790
Charitable activities:						
- Funding for educational operations	5	-	21,643	-	-	21,643
Other trading activities	4	80	197	-	-	277
Investments	6	2	17	-	-	19
Total		<u>837</u>	<u>18,059</u>	<u>51,418</u>	<u>2,547</u>	<u>72,861</u>
Expenditure on:						
Raising funds	7	5	-	-	-	5
Charitable activities:						
- Educational operations	8	-	22,683	1,995	-	24,678
Endowment repayment and costs		-	-	-	15	15
Total	7	<u>5</u>	<u>22,683</u>	<u>1,995</u>	<u>15</u>	<u>24,698</u>
Gains on endowment investments		-	-	-	33	33
Net income/(expenditure)		<u>832</u>	<u>(4,624)</u>	<u>49,423</u>	<u>2,565</u>	<u>48,196</u>
Transfers between funds	20	-	(338)	338	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	26	-	1,188	-	-	1,188
Net movement in funds		<u>832</u>	<u>(3,774)</u>	<u>49,761</u>	<u>2,565</u>	<u>49,384</u>
Reconciliation of funds						
Total funds brought forward		<u>630</u>	<u>(5,028)</u>	<u>16,280</u>	<u>-</u>	<u>11,882</u>
Total funds carried forward		<u>1,462</u>	<u>(8,802)</u>	<u>66,041</u>	<u>2,565</u>	<u>61,266</u>

ASTON COMMUNITY EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	69,401	64,399
Investments	14	2,721	2,620
		<u>72,122</u>	<u>67,019</u>
Current assets			
Stocks	15	60	56
Debtors	16	1,083	2,679
Cash at bank and in hand		4,794	5,226
		<u>5,937</u>	<u>7,961</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(3,170)	(3,156)
Net current assets		<u>2,767</u>	<u>4,805</u>
Total assets less current liabilities		<u>74,889</u>	<u>71,824</u>
Creditors: amounts falling due after more than one year	19	(192)	(198)
Net assets excluding pension liability		<u>74,697</u>	<u>71,626</u>
Defined benefit pension liability	26	(9,895)	(10,360)
Net assets		<u>64,802</u>	<u>61,266</u>
Funds of the academy trust:			
Restricted funds	20		
- Fixed asset funds		69,755	66,041
- Restricted income funds		594	1,558
- Pension reserve		(9,895)	(10,360)
- Endowment funds		2,665	2,565
Total restricted funds		<u>63,119</u>	<u>59,804</u>
Unrestricted income funds	20	<u>1,683</u>	<u>1,462</u>
Total funds		<u>64,802</u>	<u>61,266</u>

The accounts on pages 31 to 61 were approved by the Directors and authorised for issue on 20 December 2018 and are signed on their behalf by:

J Barton

Chair of Directors/Trustees

Company Number 07577113

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	25		352		196
Cash funds transferred on conversion			277		2,153
			<u>629</u>		<u>2,349</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		58		19	
Capital grants from DfE and EFA		1,709		1,775	
Capital funding from sponsors and others		34		-	
Payments to acquire tangible fixed assets		(2,848)		(1,237)	
			<u>(1,047)</u>		<u>557</u>
Cash flows from financing activities					
New SALIX loan		-		48	
Repayment of SALIX loan		(14)		-	
			<u>(14)</u>		<u>48</u>
Change in cash and cash equivalents in the reporting period			<u>(432)</u>		<u>2,954</u>
Cash and cash equivalents at 1 September 2017			5,226		2,272
Cash and cash equivalents at 31 August 2018			<u>4,794</u>		<u>5,226</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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, i.e. 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/ Transfer from an existing academy trust

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

The assets and liabilities transferred on conversion of the predecessor school to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities or Donations - transfer from an existing academy trust and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in notes 29 & 30.

1.4 Income

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

Grants

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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	0-20% straight line
Assets under construction	Not depreciated
Computer equipment	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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Investments

Fixed asset investments are stated at market value.

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stock

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

1.12 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.

1.13 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.14 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 & 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 & Skills Funding Agency.

2 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 26, 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 2018. 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.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	1,709	1,709	2,786
Other donations	5	50	55	10
	<u>5</u>	<u>1,759</u>	<u>1,764</u>	<u>2,796</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	37	-	37	26
Consultancy	2	-	2	5
Training courses	-	-	-	3
External school support	-	154	154	173
Cover for teachers	34	-	34	46
Bolsover Schools Partnership income	-	213	213	24
	<u>73</u>	<u>367</u>	<u>440</u>	<u>277</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	23,519	23,519	18,702
Start up grants	-	199	199	295
Other DfE group grants	-	2,090	2,090	1,421
	<u>-</u>	<u>25,808</u>	<u>25,808</u>	<u>20,418</u>
Other government grants				
Local authority grants	-	779	779	415
	<u>-</u>	<u>779</u>	<u>779</u>	<u>415</u>
Other funding				
Other incoming resources	-	1,063	1,063	810
	<u>-</u>	<u>1,063</u>	<u>1,063</u>	<u>810</u>
Total funding	<u>-</u>	<u>27,650</u>	<u>27,650</u>	<u>21,643</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	2	-	2	2
Other investment income	-	56	56	17
	<u>2</u>	<u>56</u>	<u>58</u>	<u>19</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	18,858	2,668	1,937	23,463	19,251
- Allocated support costs	5,400	511	3,265	9,176	5,427
	<u>24,258</u>	<u>3,179</u>	<u>5,202</u>	<u>32,639</u>	<u>24,678</u>
Other expenditure					
Raising funds	-	-	-	-	5
Endowment investment costs	-	-	26	26	15
	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>	<u>20</u>
Total expenditure	<u>24,258</u>	<u>3,179</u>	<u>5,228</u>	<u>32,665</u>	<u>24,698</u>

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	45	35
- Other services	40	5
Operating lease rentals	32	30
Depreciation of tangible fixed assets	2,668	1,995

8 Charitable activities

	2018 £'000	2017 £'000
All from restricted funds:		
Direct costs - educational operations	23,463	19,251
Support costs - educational operations	9,176	5,427
	<u>32,639</u>	<u>24,678</u>
Analysis of support costs		
Support staff costs	5,398	2,470
Premises costs	1,552	965
Other support costs	2,111	1,957
Governance costs	115	35
	<u>9,176</u>	<u>5,427</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Community Education Trust (ACET). ACET charges a flat rate of 5% of government income. Should any further services be required, the Trust will charge a flat rate for these services.

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Aston Academy	395	-
Thurcroft Junior Academy	44	19
Lowedges Junior Academy	64	107
Springwood Junior Academy	38	40
Aughton Junior Academy	37	23
Swinton Academy	161	371
Shirebrook Academy	276	74
Temple Normanton Junior Academy	30	10
Listerdale Junior Academy	47	10
Brookfield Junior Academy	-	-
Langwith Bassett Junior Academy	-	-
	<u>1,092</u>	<u>654</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	17,903	13,729
Social security costs	1,703	1,240
Pension costs	3,943	2,807
Staff costs	<u>23,549</u>	<u>17,776</u>
Agency staff costs	560	215
Staff restructuring costs	9	6
Staff development and other staff costs	140	126
Total staff expenditure	<u>24,258</u>	<u>18,123</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,700 (2017: £6,000). Individually, the payments were: £4,000 made on 30 April 2018 and £4,700 made on 31 August 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	336	267
Administration and support	410	260
Management	13	9
	<u>759</u>	<u>536</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	11	7
£70,001 - £80,000	3	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
	<u>19</u>	<u>13</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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,389,000 (2017 - £1,102,000).

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.

12 Directors' remuneration and expenses

No Directors were remunerated or refunded expenses during the year.

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Leasehold land and buildings £'000	Assets under construction £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2017	67,676	-	1,544	1,158	96	70,474
Additions	2,723	236	186	45	50	3,240
Transfers	4,330	-	18	82	-	4,430
At 31 August 2018	74,729	236	1,748	1,285	146	78,144
Depreciation						
At 1 September 2017	4,623	-	1,043	350	59	6,075
Charge for the year	2,292	-	265	96	15	2,668
At 31 August 2018	6,915	-	1,308	446	74	8,743
Net book value						
At 31 August 2018	67,814	236	440	839	72	69,401
At 31 August 2017	63,053	-	501	808	37	64,399

14 Fixed asset investments

	£'000
Market value	
At 1 September 2017	2,620
Change in value in the year	101
At 31 August 2018	2,721
Historical cost:	
At 31 August 2018	2,000
At 31 August 2017	2,000

Investments held are primarily in respect of an endowment fund acquired by the trust on the transfer of Shirebrook Academy in the year to 31 August 2017. The endowment fund is held for the benefit of the students and local community of Shirebrook Academy. All dividends received are paid directly to Shirebrook Academy, whose governors administer the distribution of the funds whilst adhering to the Deed entered into by the Secretary of State of Education and Allroads (the former sponsor of Shirebrook Academy); and the subsequent Deed of transfer to Aston Community Education Trust.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Stocks	2018	2017
		£'000	£'000
	School uniform	15	13
	Stationery and books	45	43
		<u>60</u>	<u>56</u>
		<u><u>60</u></u>	<u><u>56</u></u>
16	Debtors	2018	2017
		£'000	£'000
	Trade debtors	68	92
	VAT recoverable	470	355
	Other debtors	66	824
	Prepayments and accrued income	479	1,408
		<u>1,083</u>	<u>2,679</u>
		<u><u>1,083</u></u>	<u><u>2,679</u></u>
17	Creditors: amounts falling due within one year	2018	2017
		£'000	£'000
	Government loans	25	18
	Trade creditors	1,539	1,713
	Other taxation and social security	436	415
	ESFA creditors - abatement of GAG	11	96
	Other creditors	365	363
	Accruals and deferred income	794	551
		<u>3,170</u>	<u>3,156</u>
		<u><u>3,170</u></u>	<u><u>3,156</u></u>
Included within government loans is the portion of the long term SALIX loan which falls due within the following year. The terms of the loan have been discussed in more detail in note 19.			
18	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	235	185
		<u>235</u>	<u>185</u>
		<u><u>235</u></u>	<u><u>185</u></u>
	Deferred income at 1 September 2017	185	123
	Released from previous years	(185)	(123)
	Amounts deferred in the year	235	185
		<u>235</u>	<u>185</u>
	Deferred income at 31 August 2018	235	185
		<u><u>235</u></u>	<u><u>185</u></u>

At the balance sheet date, the Academy Trust was holding in advance £55,000 rates relief, £101,000 of universal infant free school meals funding, and £71,000 of trip income relating to 2018/19.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Creditors: amounts falling due after more than one year	2018 £'000	2017 £'000
Government loans	177	198
Amounts due to ESFA	15	-
	<u>192</u>	<u>198</u>
Analysis of loans		
Not wholly repayable within five years by instalments	202	216
Less: included in current liabilities	(25)	(18)
	<u>177</u>	<u>198</u>
Loan maturity		
Debt due in one year or less	25	18
Due in more than one year but not more than two years	28	22
Due in more than two years but not more than five years	82	83
Due in more than five years	67	93
	<u>202</u>	<u>216</u>

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 scheduled to commence on 1 March 2017, however, due to delays in the project, these are not due to commence until 1 March 2018. Repayments of £2,502 will be made twice a year for 8 years until the loan is fully repaid.

Lowedges Junior Academy received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan with repayments scheduled to commence on 1 March 2017, however, due to delays in the project, these are not due to commence until 1 March 2018. Repayments of £1,640 will be made twice a year for 8 years until the loan is fully repaid.

Aston Academy, Thurcroft Junior academy, Springwood Junior Academy, Aughton Junior Academy, Swinton Academy, and Listerdale 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. Repayments of £500 per academy will be made twice a year for 8 years until the loans are fully repaid.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	719	23,519	(23,886)	(209)	143
Start up grants	270	199	(469)	-	-
Other DfE / ESFA grants	145	2,090	(2,235)	-	-
Other government grants	-	779	(779)	-	-
Building maintenance fund	294	-	-	-	294
Other restricted funds	130	1,646	(1,619)	-	157
	<u>1,558</u>	<u>28,233</u>	<u>(28,988)</u>	<u>(209)</u>	<u>594</u>
Funds excluding pensions					
Pension reserve	(10,360)	(706)	(983)	2,154	(9,895)
	<u>(8,802)</u>	<u>27,527</u>	<u>(29,971)</u>	<u>1,945</u>	<u>(9,301)</u>
Restricted fixed asset funds					
Transfer on conversion	59,188	4,430	(2,274)	(91)	61,253
DfE group capital grants	5,313	1,709	(103)	(85)	6,834
Capital expenditure from GAG	1,528	-	(290)	385	1,623
Private sector capital sponsorship	12	34	(1)	-	45
	<u>66,041</u>	<u>6,173</u>	<u>(2,668)</u>	<u>209</u>	<u>69,755</u>
Restricted endowment fund	2,565	-	(26)	126	2,665
Total restricted funds	<u>59,804</u>	<u>33,700</u>	<u>(32,665)</u>	<u>2,280</u>	<u>63,119</u>
Unrestricted funds					
General funds	1,462	221	-	-	1,683
Total funds	<u>61,266</u>	<u>33,921</u>	<u>(32,665)</u>	<u>2,280</u>	<u>64,802</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

General Annual Grant

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

Other DfE/EFA grants

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

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

The School Direct funding is grants received to support teacher training.

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

Other government grants

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

The nursery funding is for the nursery provision across the Trust.

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

Building maintenance fund

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

Other restricted funds

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

The restricted pension fund is in deficit to the value of £9,895,000 (2017 - £10,360,000) as at 31 August 2018. However a significant portion of this deficit was inherited upon conversion to Academy status. The Directors will continue to monitor this situation closely.

Restricted fixed asset fund

The restricted fixed asset fund consists of fixed assets transferred from the local authority on conversion to academy trust, fixed assets obtained through ESFA capital grant expenditure and fixed assets purchased from GAG / other funding.

A total of £209,000 (2017 - £338,000) has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction.

Unrestricted funds

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	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)	-	-
Building 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	735	21,563	(20,402)	(338)	1,558
Pension reserve	(5,763)	(3,504)	(2,281)	1,188	(10,360)
	<u>(5,028)</u>	<u>18,059</u>	<u>(22,683)</u>	<u>850</u>	<u>(8,802)</u>
Restricted fixed asset funds					
Transfer on conversion	12,193	48,632	(1,637)	-	59,188
DfE group capital grants	2,598	2,776	(61)	-	5,313
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>
Restricted endowment fund	-	2,547	(15)	33	2,565
Total restricted funds	<u>11,252</u>	<u>72,024</u>	<u>(24,693)</u>	<u>1,221</u>	<u>59,804</u>
Unrestricted funds					
General funds	630	837	(5)	-	1,462
Total funds	<u>11,882</u>	<u>72,861</u>	<u>(24,698)</u>	<u>1,221</u>	<u>61,266</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	98	42,221	(41,629)	(547)	143
Start up grants	68	494	(562)	-	-
Other DfE / ESFA grants	145	3,511	(3,656)	-	-
Other government grants	-	1,194	(1,194)	-	-
Building maintenance fund	294	-	-	-	294
Other restricted funds	130	2,376	(2,349)	-	157
Pension reserve	(5,763)	(4,210)	(3,264)	3,342	(9,895)
	<u>(5,028)</u>	<u>45,586</u>	<u>(52,654)</u>	<u>2,795</u>	<u>(9,301)</u>
Restricted fixed asset funds					
Transfer on conversion	12,193	53,062	(3,911)	(91)	61,253
DfE group capital grants	2,598	4,485	(164)	(85)	6,834
Capital expenditure from GAG	1,486	-	(586)	723	1,623
Private sector capital sponsorship	3	44	(2)	-	45
	<u>16,280</u>	<u>57,591</u>	<u>(4,663)</u>	<u>547</u>	<u>69,755</u>
Restricted endowment fund	-	2,547	(41)	159	2,665
Total restricted funds	<u>11,252</u>	<u>105,724</u>	<u>(57,358)</u>	<u>3,501</u>	<u>63,119</u>
Unrestricted funds					
General funds	<u>630</u>	<u>1,058</u>	<u>(5)</u>	<u>-</u>	<u>1,683</u>
Total funds	<u>11,882</u>	<u>106,782</u>	<u>(57,363)</u>	<u>3,501</u>	<u>64,802</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Aston Academy	523	508
Thurcroft Junior Academy	145	163
Lowedges Junior Academy	65	30
Springwood Junior Academy	(141)	(64)
Aughton Junior Academy	(39)	(38)
Swinton Academy	(130)	72
Shirebrook Academy	1,177	1,628
Temple Normanton Junior Academy	100	81
Listerdale Junior Academy	(126)	(34)
Brookfield Junior Academy	10	-
Langwith Bassett Junior Academy	60	-
Central services	633	674
Total before fixed assets fund and pension reserve	2,277	3,020
Endowment fund	2,665	2,565
Restricted fixed asset fund	69,755	66,041
Pension reserve	(9,895)	(10,360)
Total funds	64,802	61,266

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year to 31 August 2018 was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation & endowment fund costs	Total
	£'000	£'000	£'000	£'000	£'000
Aston Academy	6,028	1,804	186	1,535	9,553
Thurcroft Junior Academy	775	108	12	245	1,140
Lowedges Junior Academy	1,112	293	11	297	1,713
Springwood Junior Academy	675	187	15	228	1,105
Aughton Junior Academy	596	126	12	209	943
Swinton Academy	3,402	1,124	68	678	5,272
Shirebrook Academy	3,466	1,266	50	1,392	6,174
Temple Normanton Junior Academy	336	60	16	93	505
Listerdale Junior Academy	902	138	9	292	1,341
Brookfield Junior Academy	310	109	8	121	548
Langwith Bassett Junior Academy	93	14	5	40	152
Central Services	1,163	171	10	180	1,524
	<u>18,858</u>	<u>5,400</u>	<u>402</u>	<u>5,310</u>	<u>29,970</u>

Expenditure incurred by each academy during the year to 31 August 2017 was as follows:

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	69,401	-	69,401
Fixed asset investments	-	56	-	2,665	2,721
Current assets	1,780	3,210	947	-	5,937
Creditors falling due within one year	(97)	(2,657)	(416)	-	(3,170)
Creditors falling due after one year	-	(15)	(177)	-	(192)
Defined benefit pension liability	-	(9,895)	-	-	(9,895)
Total net assets	1,683	(9,301)	69,755	2,665	64,802

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:					
Tangible fixed assets	-	-	64,399	-	64,399
Fixed asset investments	-	55	-	2,565	2,620
Current assets	1,462	4,253	2,246	-	7,961
Creditors falling due within one year	-	(2,750)	(406)	-	(3,156)
Creditors falling due after one year	-	-	(198)	-	(198)
Defined benefit pension liability	-	(10,360)	-	-	(10,360)
Total net assets	1,462	(8,802)	66,041	2,565	61,266

22 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the accounts	466	1,758

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	5	24
Amounts due in two and five years	7	5
	<u>12</u>	<u>29</u>

24 Reconciliation of net cash flow to movement in net funds

	2018 £'000	2017 £'000
Increase/(decrease) in cash	(432)	2,954
New long term government loan	-	(48)
Repayment of SALIX loans	14	7
	<u>(418)</u>	<u>2,913</u>
Change in net funds resulting from cash flows	(418)	2,913
Net funds at 1 September 2017	5,010	2,097
	<u>4,592</u>	<u>5,010</u>
Net funds at 31 August 2018	4,592	5,010

25 Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	1,382	48,163
Adjusted for:		
Net surplus on conversion/ transfer to trust	(4,009)	(45,579)
Capital grants from DfE/ESFA and other capital income	(1,743)	(2,786)
Net endowment income	(100)	(2,532)
Investment income receivable	(58)	(19)
Defined benefit pension costs less contributions payable	726	-
Defined benefit pension net finance cost	257	-
Depreciation of tangible fixed assets	2,666	1,995
(Increase) in stocks	(4)	(11)
Decrease/(increase) in debtors	1,596	(2,038)
(Decrease)/increase in creditors	(370)	1,690
Stocks, debtors and creditors transferred on conversion	9	3,085
	<u>352</u>	<u>1,968</u>
Net cash provided by operating activities	352	1,968

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Pensions and similar obligations

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

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

Contributions amounting to £336,000 (2017: £341,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £2,026,000 (2017: £1,579,000).

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.6 - 21% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £1,160,000.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 29) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	1,071	755
Employees' contributions	315	215
Total contributions	1,386	970
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3.35	3.45
Rate of increase for pensions in payment	2.2	2.2
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.1	2.2

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Pensions and similar obligations

(Continued)

Sensitivity Analysis

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

	Central £'000	Sensitivity 0.1% p.a discount rate £'000	Sensitivity 0.1% p.a inflation rate £'000	Sensitivity 0.1% p.a pay growth £'000
Liabilities	21,310	20,262	22,233	21,523
Assets	(11,415)	(11,415)	(11,415)	(11,415)
Deficit	9,895	8,847	10,818	10,108
Projected service cost for next year	1,659	1,624	1,701	1,659
Projected net interest costs for next year	265	261	276	268

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

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	25.2	25.7
Retiring in 20 years		
- Males	25.8	25.1
- Females	28.1	28.0

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	6,490	5,498
Government bonds	1,774	1,178
Other bonds	613	583
Cash/liquidity	597	744
Property	1,025	274
Other assets	916	467
Total market value of assets	11,415	8,744
Actual return on scheme assets - gain/(loss)	495	571

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

26 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2018 £'000	2017 £'000
Current service cost (net of employee contributions)	1,781	1,183
Net interest cost	257	195
Administration expenses	16	12
Total operating charge	2,054	1,390
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
Obligations at 1 September 2017	19,104	9,160
Obligations acquired on conversion	1,464	9,047
Current service cost	1,781	1,183
Interest cost	499	325
Employee contributions	315	215
Actuarial gain	(1,901)	(747)
Benefits paid	48	(79)
At 31 August 2018	21,310	19,104
Changes in the fair value of the academy trust's share of scheme assets	2018 £'000	2017 £'000
Assets at 1 September 2017	8,744	3,397
Assets acquired on conversion	758	3,897
Interest income	242	130
Actuarial gain/(loss)	253	441
Employer contributions	1,071	755
Employee contributions	315	215
Benefits paid	48	(79)
Administration expenses	(16)	(12)
At 31 August 2018	11,415	8,744

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

27 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.

During the year the academy trust acquired, for £nil consideration, the operations, assets and liabilities of Aston Springwood Home School Association an unincorporated charity in which John Barton (Chair of trustees/member at the academy trust) is a trustee. The charity provided a nursery function on site at one of the academies within the academy trust. Further details of the acquisition can be found in note 31.

No further related party transactions took place.

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 April 2018 the Langwith Bassett Junior 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 County Council 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 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.

	2018 £'000
Net assets transferred:	
Leasehold land and buildings	1,608
Cash	72
LGPS pension surplus/(deficit)	(48)
	<u>1,632</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

29 Conversion to an academy

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	1,608	1,608
LA budget funds	69	-	-	69
School private fund	3	-	-	3
LGPS pension funds	-	(48)	-	(48)
	<u>72</u>	<u>(48)</u>	<u>1,608</u>	<u>1,632</u>

30 Transfer of existing academies into the academy trust

On 1 June 2018 the Brookfield Junior School transferred to Aston Community Education Trust from the Wakefield City Academy Trust 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 existing 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. The transferor trust would not provide the values reported in their financial statements.

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
Leasehold land and buildings		-	2,722
Furniture and equipment		-	13
Computer equipment		-	18
Current Assets			
Debtors due in less than one year		-	44
Cash in bank and in hand		-	1
Liabilities			
Creditors due in less than one year		-	(37)
Pensions			
Pensions – pension scheme assets		-	647
Pensions – pension scheme liabilities		-	(1,305)
Net assets / (liabilities)	<u>-</u>	<u>-</u>	<u>2,103</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

31 Acquisition of unincorporated charity

On 1 April 2018 the operations, assets and liabilities of Aston Springwood Home School Association, operating as Whizz Kids, transferred to Aston Community Education Trust for £nil consideration. The charity provided an onsite nursery function at Springwood Junior Academy (part of the academy trust).

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 charity.

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.

	Transfer in recognised £'000
Tangible fixed assets	
Furniture and equipment	69
Current Assets	
Debtors due in less than one year	1
Cash in bank and in hand	205
Liabilities	
Creditors due in less than one year	(1)
Net assets / (liabilities)	<u>274</u>