

**THE
Ashley
School**
Academy Trust
Supporting Achievement

The Ashley School Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

for the period to 31 August 2012

Company Registration Number 7729412

THURSDAY



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Reference and Administrative Details of the Academy, its Governors and Advisors**Governors (Trustees)**

Mr D G Gowen (Chairman) *
 Mr P Hayes (Vice Chairman, Responsible Officer) *
 Mr M H Lott *
 Dr C S Hyde
 Mrs C Betts
 Mr P Underdown (Resigned 25th March 2012)
 Mr R Chard (Resigned 25th March 2012)
 Mrs E Thomas
 Miss A Howlett (Staff Governor, Appointed 19th
 June 2012)
 Mrs M Trowbridge (Staff Governor)
 Mrs L S Dupen (Headteacher and accounting
 officer)

* members of the Leadership and Management Committee

Company Secretary

Mrs D L Petty

Senior Leadership Team

Headteacher
 Deputy Headteacher
 Deputy Headteacher
 Business and Finance Manager
 Key Stage Leaders

Mrs L S Dupen
 Mr L C Chapman
 Mr A Wright
 Mrs A Simpson *
 Mr R Milton
 Mr A McAvoy
 Mrs R Matthews

Headteacher and Registered Office

Ashley Downs
 LOWESTOFT
 Suffolk
 NR32 4EU

Company Registration Number

7729412 (England and Wales)

Independent Auditor

Lovewell Blake LLP
 Bankside 300
 Peachman Way
 Broadland Business Park
 NORWICH
 Norfolk
 NR7 0LB

Bankers

Lloyds TSB plc
 16 Gentlemans Walk
 NORWICH
 Norfolk
 NR2 1LZ

Solicitors

Browne, Jacobson LLP
 Mowbray House
 Castle Meadow Road
 Nottingham
 NG2 1BJ

Governors' Report for the period ended 31 August 2012

The Governors (who are Governors under the Academies Act 2010 Trustees under the Charities Act 2011 and Directors under the Companies Act 2006) present their annual report together with the financial statements and auditors report of the charitable company for the period ending 31st August 2012. The report has been prepared in accordance with the Charities Act 2011.

Constitution

The Ashley School Academy Trust is a private company limited by guarantee with no share capital (registration no. 7729412) incorporated into Companies House on 4th August 2011 and an exempt charity. The Memorandum and Articles of Association are the main governing documents of The Ashley School Academy Trust.

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

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 3.

Governors Indemnities

Since the incorporation of the Charitable Company on 4 August 2011 the Governors (directors) have been indemnified in respect of their liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 12 to the Financial Statements the limit of this indemnity is £1,000,000.

Members Liability

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

Governors Recruitment, Induction and Training Procedures

The Governing Body has a range of expertise, knowledge and skills and when recruiting Governors, looks at different skills and knowledge across the board. Vacancies are advertised in the Academy's newsletter approaching any parents who might express an interest in becoming a Governor, asking any outgoing Governor for recommended nominations in order to retain the high quality of skills and expertise, contactable websites where databases of skilled volunteers are held.

The term of office for any Governor shall be four years. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

The Governing Body and Headteacher believe that it is essential for all new Governors to receive a comprehensive induction pack covering a broad range of issues and topics. There is a commitment to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of governors.

All new governors will be provided with an Induction Pack and invited to visit the school to meet staff and pupils and to discuss the ethos and working practices of the school.

At the beginning of the Academic Year, all governors are given a training brochure and relevant training and courses are booked by the Clerk. Governors are informed of training by the Clerk on a regular basis.

Governors' Report for the period ended 31 August 2012**Organisational Structure**

At The Ashley School Academy Trust the organisational structure consists of the Governors (Directors) including the Headteacher, below sits the two Deputy Headteachers and then the Senior Leadership Team (Departmental Heads) Below this are Teachers with a Teaching and Learning Responsibility

The Governing Body's role is to approve the strategic direction, financial management and objects of the Academy and regularly monitor the progress towards these objectives and regularly monitor the budget In order for this to be carried out effectively, the Governors have appointed it's members to certain Committees

The Coordinating Committee of Chairs

- To meet termly with the Chairs of Committees
- To organise the dates of Committee meetings
- To determine the agenda items for the Committee meetings
- To receive anything as a matter of urgency that would be discussed in detail later at Committee meetings
- To discuss the papers following the Heads and Chairs briefings

The Leadership and Management Committee

- To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's personnel, finances and resources, including proper planning, monitoring and probity
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis
- Major issues will be referred to the full Governing Body for ratification

The Pupil Achievement Committee

- To consider and advise the Governing Body on attainment and standards and other matters relating to the schools' curriculum, including statutory requirements and the School's Teaching and Learning Policy At The Ashley School Academy Trust there is a particular focus on learners achievement and progress and outcomes
- To consider and advise the Governing Body on matters in relation to the school outreach provision and partnership working, including community
- To consider curricular issues which have implications for finance and personnel decisions and to make recommendations to the relevant Committees or the Governing Body
- To advise the Governing Body on the arrangements to be represented at School Improvement discussions and for reports to be received by the Governing Body
- To oversee arrangements for individual governors to take a leading role in monitoring specific areas of provision, ie, Literacy, Numeracy, PSHE and PE and the implementation of personalised learning To receive regular reports from them and advise the Governing Body
- To ensure that all learners are included and appropriate provision is made available, including review of any appropriate and relevant data

The Behaviour and Safety Committee

Ensure the health and safety of all pupils, staff and premises relating to the Trust

- To advise the Governing Body on priorities, including Health and Safety for the maintenance and development of the school's premises and to ensure pupil safety
- To oversee arrangements for repairs and maintenance

Governors' Report for the period ended 31 August 2012

- To make recommendations to the Leadership and Management Committee on premises related expenditure and funding bids
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users, subject to governing body policy
- To keep under review the School Development Plan (SDP – Building Development and Accessibility Plan)
- To oversee the arrangements for the residential aspect of the school including the quality of care provided for the pupils in line with Ofsted and Minimum Care Standards
- To oversee the organisation of school trips and complete Risk Assessments and CRBs to ensure pupil safety
- To oversee and monitor complaints, investigations and critical incidents

Risk Management

The Governors have assessed the major risks to which the Academy is exposed and ensure that steps are taken to mitigate risks. Risks are identified, documented and reviewed on an annual basis and procedures are in place to manage such risks.

Some significant risks such as public and employee liability are covered by the Academy's insurance policy.

Connected OrganisationsPartnerships

The Academy works in partnership with local high schools under the 14-19 Curriculum Partnership and Raising the Age of Participation. We also work in close partnership with Suffolk County Council (SCC).

The Academy is a partner in the Teaching School Alliance which consists of local primary and high schools and educational focussed establishments (Lowestoft College, University Campus Lowestoft, Suffolk and Norfolk Initial Teacher Training, Anglia Ruskin University, National College of School Leader and the LA as a strategic partner). The Alliance was formed to support school improvement, CPD professional training, initial teacher training. The Alliance are working towards narrowing the gap and raising standards and support the local community. The group are applying for Teaching School status with a view to developing a partnership that can demonstrate proven evidence of collaborative working. The Alliance has secured £10,000 from NCSL (building capacity for a Teaching School Alliance).

Contract of Works

Some of the major building work carried out in the Academy during the period ended 31 August 2012 was with Eclipse Builders Ltd of which Mr Paul Underdown who is the owner, was a Governor at the start of the period. All projects have been subject to our tendering procedures and best value for money applied when awarding the contracts.

Objectives and Activities

The object and aims of The Ashley School Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs.

The Ashley School Academy Trust is a converter Academy effective from 1st September 2011. The main objectives are summarised as follows:

- to provide value for money for the funds expended,
- to ensure that the Academy is suitably staffed,
- to comply with statutory and curriculum requirements,

Governors' Report for the period ended 31 August 2012

- to develop and maintain links with the community in North Suffolk including working with other educational establishments,
- to conduct the Trusts' business in accordance with the highest standards of integrity, probity and openness

Objects and Aims

The Ashley School Academy Trust will provide a safe and secure learning environment for pupils. Members of staff here have a wealth of experience in SEN (Special Educational Needs) providing for children and young people with a wide range of complex learning difficulty and additional needs. They are also skilled at working with other professionals to ensure that individual pupils' needs are met. We place a very high value on working in partnership with parents, carers, other schools and agencies to support pupil and family need. Through partnership working, we endeavour to maximise learning experiences for all our pupils in school and beyond their time with us at The Ashley School Academy Trust.

Objectives, Strategies and Activities

The objectives of the School Development Plan 2011-2012

- Leadership
Further improve standards and quality in teaching and learning,
Planning and development work to support academy conversion,
Review leadership structures as appropriate for Academy,
Plan for Ofsted Inspection,
Analyse data and plan for improvement
- Behaviour and Safety
Key Stage 4 toilets were built to support behaviour management
The Atrium dining room extension was built to allow accommodation of more pupils at the same time and therefore supporting behaviour management
- Outreach
Develop a "commissioned services" plan for Outreach to support its development
- Residence
Redecoration of the dormitories,
Develop plans for redevelopment of residential buildings to include en-suite rooms,
Bid for monies to support the redevelopment work
- Pupil Achievement See achievements and performance
- Teacher quality
CPD tracked closely, focussed linked to Performance Management/SDP,
ICT room redevelopment to support better teaching and learning,
Building of the Atrium dining room to support increased teaching and learning space, area to be used for teaching, catering and retail,
Develop the website

Public Benefit

To promote for the benefit of individuals living in Lowestoft and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic

Governors' Report for the period ended 31 August 2012

circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

Achievements and Performance

In the period leading up to the period 31 August 2012

- 100% of pupils achieved at least one Entry Level Qualification
- 95 23% (20/21) pupils achieved Entry Level Qualification passes in English and Mathematics
- 90 48% (19/21) of pupils achieved at least 5 Entry Level passes or above
- 90 48% (19/21) of pupils achieved at least one qualification at Level 1 or above
- Pupil Progress model developed as part of post graduate research indicates 80 95% (17/21) of pupils made good or better progress relative to their starting points when Entry Level qualifications are included
- 3rd successive outstanding report for the conduct of examinations (JCQ report)
- The new curriculum and specifications were implemented for the new linear accreditation in Key Stage 4
- Pupils have undertaken a variety of new curriculum accreditation programmes including the new vocational delivery at the Oulton Broad Water Sports Centre, Sports Leadership at Level 2 and the Trinity Guildhall Arts Award
- Pupils have had the opportunity to take part in a variety of special curriculum themed events including The Mayors Christmas Carol service, The Olympics and Diamond Jubilee celebrations
- Success in sporting events featured as part of then East Anglian Special Schools cross country and Norwich City Power League
- Pupils in Key stage 2 and 3 performed successfully to parents, productions themed around 'Nursery Rhymes' and the 'Jungle Book'
- Successful completion of structural works including relocation and refurbishment of Key stage 4 toilets, renovation and relocation of the music and MFL areas together with the development of a specialist training suite
- Outstanding Ofsted Inspection of Residential Provision which was Outstanding in all areas (Outcomes for Residential Pupils, Quality of Provision and Care, Pupils Safety and Leadership and Management of the Provision)

Going Concern

After making appropriate enquiries, the Governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continued to adopt the going concern basis in the preparing the financial statements

Key Financial Performance Indicators

Key Performance Indicators are

- Income per pupil £16,663
- This comprises GAG minus the LACSEG. This figure is not an accurate reflection of the true income per pupil as this includes a block grant for 29 residential places
- Staffing costs as a percentage of GAG income 75%
- Staff costs as a percentage of total expenditure 75%
- Capital expenditure per pupil £338
- Unit costs per pupil £16,666

Governors' Report for the period ended 31 August 2012

- Liquidity Ratio This is not applicable to us as an Academy due to no borrowings
- Carry forward figure to 2012/2013, including gifted assets, land and buildings is £1,849,463

Financial Review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education Funding Agency (EFA) during the period ended 31st August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also has been in receipt of capital grants from the EFA through the bid process for Capital maintenance fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2012, total expenditure of £2,178,676 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £312,496.

At 31 August 2012 the net book value of fixed assets was £1,763,547 and movements in tangible fixed assets are shown in the note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Upon Academy conversion, a number of assets have been recognised as gifted to the Academy. These include fixed assets of £1,529,072 and unspent delegated budget upon closure of the Local Authority School of £318,463.

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2012 and note 25.

Principal Risks and Uncertainties

Governors consider the major risk to the Academy is the change of government policies and funding arrangements. Also for consideration this year is the change in Headship and succession planning.

Reserves Policy**Aims**

Governors aim to hold sufficient financial reserves to sustain the school if the income falls below expected levels.

The Governors aim to manage the finances responsibly, budget for predictable fluctuations in income and hold reserves to cover expenses due to other eventualities including staff redundancy payments.

The amount held in reserve is reviewed annually to ensure that sufficient funds are available to cover redundancy payments.

Governors' Report for the period ended 31 August 2012

Methods

If buildings were to become unavailable for us (for example due to a fire) the Academy would seek alternative temporary premises as a matter of urgency providing that to do so was financially viable and complied with Ofsted requirements

We hold sufficient reserves to pay redundancy payments to all staff as required by law, according to the number of complete years' service

The amount held in reserve is reviewed annually to ensure that sufficient funds are available to cover redundancy payments

Actual

As at 31 August 2012, free reserves (represented by unreserved net current assets) amounted to £226,429

Plans for the Future

During 2012/2013 there will be the following focuses

- Leadership
 - Succession planning including the recruitment of a new Headteacher for September 2013
 - Planning for new funding arrangements
 - Restructure performance review procedures for all staff making them more accountable and cement links with professional development and financial planning
 - Development of Water Sports Centre through The Ashley School Trading Ltd which was incorporated on 25 September 2012
 - Review quality and balance of food served to pupils under the "Healthy Eating" agenda
- Behaviour and Safety
 - Install lift to Key Stage 4 providing equality of access to the first floor
 - Plan provision and responses to support a reduction of exclusions
 - Further develop therapeutic support for pupils
 - Review of the school day
 - Complete bid applications to replace 300 windows and redevelop swimming pool changing facilities which will further support school and community use
- Outreach
 - Plan for commissioned service
- Pupil Achievement
 - Further raise standards of teaching and learning
 - Work with Achievement For All Success Coach to challenge the planning and development of the curriculum and reporting
 - To develop further the Parent, Pupil Support Team by increasing Speech and Language specialist input using pupil premium funding
- Residence
 - Implement plan for development of residential facilities
 - Review use of new facilities
 - Develop methodologies for reporting the cost of the residential facilities

The Ashley School Academy Trust

Governors' Report for the period ended 31 August 2012

Statement as to disclosure of information to auditors

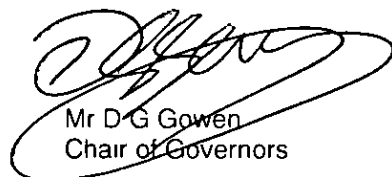
In so far as the governors are aware

- There is no relevant audit information of which the charitable company's auditor is unaware,
and
- the Governors 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

Auditor

Lovewell Blake LLP were appointed as auditors during the period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006

The report of the Governors was approved by the Governors on 12/12/12 and signed on their behalf by



Mr D-G Gowen
Chair of Governors

Governance Statement

Scope of Responsibility

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

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

Governance

The information on Governance included here supplements that described in the Governors' report and in the Statement of Governors' Responsibilities. The **Full Governing Body** has formally met 4 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings Attended	Out of a Possible
D G Gowen (Chair)	4	4
P Hayes (Vice Chair, RO)	4	4
M H Lott	3	4
C S Hyde	4	4
C Betts	2	4
P Underdown (resigned 25 03 12)	1	2
R Chard (resigned 25 03 12)	0	2
E Thomas	4	4
M Trowbridge (Staff Governor)	4	4
A Howlett (Staff Governor, Appointed 19 06 12)	1	1
L S Dupen (Headteacher and Accounting Officer)	4	4

The Leadership and Management Committee is a committee of the main governing body. Its purpose is to:

Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's personnel, finances and resources, including proper planning, monitoring and probity.

To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis. Major issues will be referred to the full governing body for ratification.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
D G Gowen	5	5
P Hayes	5	5
M H Lott	5	5
L S Dupen	5	5

Governance Statement

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 on-going 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 The Ashley Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body. A risk assessment is completed and reviewed by the Leadership and Management Committee on an annual basis.

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an external Responsible Officer and Mr P Hayes as Governor Responsible Officer who will receive the Responsible Officer's feedback/report on a termly basis and report back to Governors. The Governor RO's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems and responsibilities. On a regular basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of Effectiveness

As Accounting Officer, Mrs L S Dupen has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,

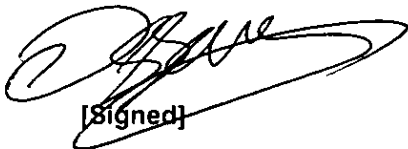
The Ashley School Academy Trust

Governance Statement

- 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 Leadership and Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the governing body on 12/12/12 and signed on its behalf by




[Signed]

[Mr D G Gowen]

[Chair]

[Signed]



[Mrs L S Dupen]

[Accounting Officer]

Statement on regularity, propriety and compliance

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

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

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



Mrs L S Dupen

Accounting Officer

12/12/12

Date

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of The Ashley School Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

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

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

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

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

Approved by order of the members of the Governing Body on 12/12/12 and signed
on its behalf by



Mr D G Gowen
Chair of Governors

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASHLEY SCHOOL ACADEMY TRUST

We have audited the financial statements of The Ashley School Academy Trust for the period ended 31 August 2012 on pages 20 to 44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns or

The Ashley School Academy Trust

Report on Regularity

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASHLEY SCHOOL ACADEMY TRUST

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

Opinion on other matters prescribed by the Academy's funding agreement with the Secretary of State for Education

- The financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education in respect of the relevant financial period,
- Proper accounting records have been kept, and
- Grants made by the Department of Education have been applied for the purposes intended
- Grants made by the Education Funding Agency have been applied for the purposes intended

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

12/12/12

Report on Regularity**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF THE ASHLEY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 May 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 4 August 2011 to 31 August 2012 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the governing body and auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 4 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA

Opinion

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 4 August 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

MARK PROCTOR ACA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

12/12/12

Statement of Financial Activities for the period ended 31 August 2012
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources						
Incoming resources from generated funds						
- Voluntary Income	3	148,690	29,548	(302,000)	1,692,994	1,569,232
- Activities for generating funds	4	64,761	-	-	-	64,761
- Investment Income	5	434	-	-	-	434
Incoming resources from charitable activities						
- Funding for the Academy's educational operations	6	15,340	2,392,664	-	31,645	2,439,649
- Other incoming resources	4	39,063	-	-	-	39,063
Total incoming resources		268,288	2,422,212	(302,000)	1,724,639	4,113,139
Resources expended						
Cost of generating funds						
Costs of activities for generating funds	7	-	20,892	-	-	20,892
Charitable activities						
- Academy's educational operations	8	41,859	1,947,998	76,000	39,616	2,105,473
Governance costs	9	-	52,311	-	-	52,311
Total resources expended	7	41,859	2,021,201	76,000	39,616	2,178,676
Net incoming/(outgoing) resources before transfers		226,429	401,011	(378,000)	1,685,023	1,934,462
Gross transfers between funds	16	-	(314,944)	96,000	218,944	-
Net incoming/outgoing resources before other recognised gains and losses		226,429	86,067	(282,000)	1,903,967	1,934,462
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension schemes	16 25	-	-	(85,000)	-	(85,000)
Net movement in funds		226,429	86,067	(367,000)	1,903,967	1,849,462
Reconciliation of funds						
Funds carried forward at 31st August 2012		226,429	86,067	(367,000)	1,903,967	1,849,462

All of the Academy's activities derive from acquisitions in the current period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance Sheet as at 31 August 2012

	Notes	2012 £
Fixed Assets		
Tangible assets	13	<u>1,763,547</u> <u>1,763,547</u>
Current assets		
Debtors	14	41,511
Cash at bank and in hand		<u>479,001</u> <u>520,512</u>
Current Liabilities		
Creditors Amounts falling due within one year	15	<u>(67,596)</u> <u>452,916</u>
Net current assets		
Total assets less current liabilities		<u>2,216,463</u>
Net assets excluding pension liability		<u>2,216,463</u>
Pension scheme liability	25	<u>(367,000)</u>
Net Assets Including Pension Scheme Liability		<u><u>1,849,463</u></u>
Funds of the Academy		
Restricted funds		
- Fixed asset fund	16	1,903,967
- General funds	16	86,067
- Pension reserve	16	<u>(367,000)</u>
Total restricted funds		<u>1,623,034</u>
Unrestricted funds		
- General fund	16	226,429
Total unrestricted funds		<u>226,429</u>
Total Funds		<u><u>1,849,463</u></u>

The financial statements on pages 20 to 44 were approved by the Governors, and authorised for issue on
and are signed on their behalf by

Signed



Mr B Gowen
Chair of Governors

The Ashley School Academy Trust

Cash Flow Statement for the period ended 31 August 2012

	Notes	2012 £
Net cash inflow from operating activities	20	238,628
Returns on investments and servicing of finance	21	434
Net capital expenditure	22	(78,524)
Increase in cash in the period	23	<u>160,537</u>
Reconciliation of net cash flow to movement in net funds		
Cash transferred on conversion to academy trust		318,463
Net funds at 31st August 2012		<u>479,000</u>

All of the cash flows are derived from acquisitions in the current financial period

Notes to the Financial Statements for period ended 31 August 2012**Statement of Accounting Policies****a) Basis of Preparation**

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

b) Going Concern

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

c) Incoming Resources

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

- **Grants receivable**

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable where there is certainty of receipt.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the

amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies

- **Leased Property**

The academy has recognised the value of the property occupied by it, under a lease of 125 years, as prepared by DTZ on behalf of the Education Funding Agency as at 31 August 2012

d) Resources Expended

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

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

- **Charitable activities**

These are costs incurred on the Academy's educational operations

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT

e) Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows

Buildings	2%
Furniture and equipment	10%
Computer equipment and software	33%
Motor vehicles	20%

No depreciation is charged on assets that are not brought into use by the balance sheet date. Assets in the course of construction are included at cost

Notes to the Financial Statements for the period ended 31 August 2012**Statement of Accounting Policies (continued)**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

f) Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy 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.

g) Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

h) Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Other Notes to the Financial Statements

Note 2

General Annual Grant

	2012 £
GAG allocation for current year	2,286,625
Total GAG available to spend	2,286,625
Recurrent expenditure from GAG	1,897,559
Fixed assets purchased from GAG	211,440
Total GAG expenditure	2,108,999
Transfer of pension contributions to Pension Reserve	96,000
Transfer of unrestricted funds	-
GAG carried forward to next year	81,626

The academy trust plans to use the balance of general annual grant carried forward to support recurrent expenditure for the period to 31 August 2013

Note 3

Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Donations - Revenue	23,697	-	23,697
Gifted Assets	-	1,529,072	1,529,072
Pension Scheme Liability	-	(302,000)	(302,000)
Gifted Cash Revenue opening balance	124,993	29,548	154,541
Gifted Cash Capital opening balance	-	163,922	163,922
	148,690	1,420,542	1,569,232

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012**Note 4****Activities for Generating Funds**

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
Hire of facilities	38,453	-	38,453
Items sold	4,651	-	4,651
Income from services provided	21,657	-	21,657
	<u>64,761</u>	<u>-</u>	<u>64,761</u>

Other Incoming Resources

Academy Trips	27,419	-	27,419
Catering Income	11,644	-	11,644
	<u>39,063</u>	<u>-</u>	<u>39,063</u>

Note 5**Investment Income**

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
Bank Interest	434	-	434
	<u>434</u>	<u>-</u>	<u>434</u>

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 6

Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA Capital Grants			
Capital Devolved Grant	-	8,185	8,185
Capital Maintenance Fund (1st Instalment)	-	23,460	23,460
	-	31,645	31,645
DfE/EFA Revenue Grants			
General Annual Grant	-	2,286,625	2,286,625
Start Up Grant	-	25,000	25,000
Pupil Premium	-	26,233	26,233
	-	2,337,858	2,337,858
Other Government Grants			
PE Teacher Release Grant	-	7,600	7,600
Outreach Commissioned Service	-	31,250	31,250
LAC funding (including Pupil Premium)	-	10,893	10,893
Salary Safeguarding	-	5,063	5,063
P2E Phase 5 Grant	12,000	-	12,000
Educational Visits	3,000	-	3,000
Supply	340	-	340
	15,340	54,806	70,146
	15,340	2,424,309	2,439,649

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 7

Resources Expended

	Non Pay Expenditure			Total
	Staff Costs	Premises	Other Costs	2012
	£	£	£	£
Costs of activities for generating funds	8,641	8,177	4,074	20,892
Academy's educational operations				
• Direct Costs (note 8)	1,470,951	35,645	134,471	1,641,067
• Allocated Support Costs (note 8)	161,917	76,518	179,892	418,328
• Other Expenditure (note 8)	-	-	46,078	46,078
	<u>1,641,509</u>	<u>120,340</u>	<u>364,516</u>	<u>2,126,365</u>
Governance costs(including allocated support costs) (note 9)	-	-	52,311	52,311
	<u>1,641,509</u>	<u>120,340</u>	<u>416,827</u>	<u>2,178,676</u>

Incoming/outgoing resources for the year include

	2012
	£
Fees payable to auditor	<u>3 150</u>

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 8

Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Direct Costs			
Teaching and educational support staff costs	-	1,470,951	1,470,951
Direct Costs Depreciation	-	35,645	35,645
Educational supplies	1,295	86,286	87,581
Examination Fees	-	8,755	8,755
Staff Development	-	24,690	24,690
Educational Consultancy	-	656	656
Pupil Transport	-	4,242	4,242
Special Facilities	6,857	939	7,796
Other direct costs	751	-	751
	<u>8,903</u>	<u>1,632,164</u>	<u>1,641,067</u>
Allocated Support Costs			
Support Staff Costs	-	161,917	161,917
Pupil recruitment and support	340	128	468
Maintenance of premises and equipment	847	42,659	43,506
Cleaning	-	37,058	37,058
Rent, rates and water	-	16,187	16,187
Insurance	-	27,193	27,193
Travel and Subsistence	-	9,095	9,095
Catering	-	26,951	26,951
Bank Interest and Charges	-	28	28
Heat and Light	-	72,731	72,731
Technology	-	11,364	11,364
Supplies, printing and telephone	-	6,168	6,168
Allocated Support Costs Depreciation	-	3,971	3,971
Other support costs	1,690	-	1,690
	<u>2,877</u>	<u>415,450</u>	<u>418,327</u>
Other Expenditure			
Other Non GAG Expenditure	30,079	16,000	46,079
	<u>30,079</u>	<u>16,000</u>	<u>46,079</u>
	<u><u>41,859</u></u>	<u><u>2,063,614</u></u>	<u><u>2,105,473</u></u>

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 9

Governance Costs

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
Legal and professional fees	-	49,161	49,161
Auditors remuneration - audit of financial statements	-	3,150	3,150
	<u>-</u>	<u>52,311</u>	<u>52,311</u>

Note 10

Staff Costs

	2012 £
Direct staff costs during the period were	
Wages and salaries	1 369 056
Social security costs	97,411
Other pension costs	<u>167,261</u>
	<u>1,633,728</u>
of which supply teacher costs £8,098	
Indirect employee expenses	7,781
	<u><u>1,641,509</u></u>

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

	2012 No
Charitable Activities	
Teachers	20
Administration and support	<u>25</u>
	<u><u>45</u></u>

	2012 No
The number of employees whose emoluments fell within the following bands was	
£60,001 - £70,000	1
£70,001 - £80,000	<u>1</u>
	<u><u>2</u></u>

Notes to the Financial Statements for the period ended 31 August 2012**Note 11****Governors Remuneration**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

Headteacher	£75,024
E Thomas (Staff Governor)	£40,000 – £45,000
A Howlett (Staff Governor)	£35,000 - £40,000
M Trowbridge (Staff Governor)	£20,000 - £25,000

Individuals did not receive the remuneration in respect of their services as trustees of the academy trust but in respect of their employment as members of the academy's staff.

During the period ended 31 August 2012, travel and subsistence expenses totalling £1,317 were reimbursed to Governors.

Note 12**Governors and Officers Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2012 was £2,388.

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

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 13

Tangible Fixed Assets

	Leasehold Land and Buildings £	Plant and Machinery £	Furniture and Equipment £	Computer Equipment and Software £	Assets under construction £	Total £
Cost						
Assets transferred upon conversion	1,514,271	-	12,765	2,036	-	1,529,072
Additions	202,178	4,061	18,022	12,361	37,469	274,091
Disposals	-	-	-	-	-	-
At 31 August 2012	<u>1,716,449</u>	<u>4,061</u>	<u>30,787</u>	<u>14,397</u>	<u>37,469</u>	<u>1,803,163</u>
Depreciation						
Charged in year	31,163	812	3,794	3,847	-	39,616
Disposals	-	-	-	-	-	-
At 31 August 2012	<u>31,163</u>	<u>812</u>	<u>3,794</u>	<u>3,847</u>	<u>-</u>	<u>39,616</u>
Net Book Values						
At 31 August 2012	<u>1,685,286</u>	<u>3,249</u>	<u>26,993</u>	<u>10,550</u>	<u>37,469</u>	<u>1,763,547</u>

Note 14

Debtors

	2012 £
Trade Debtors	3,126
Prepayments	6,498
VAT Debtor	<u>31,887</u>
	<u>41,511</u>

Note 15

Creditors amounts falling due within one year

	2012 £
Trade Creditors	12,395
Accruals and deferred income	<u>55,201</u>
	<u>67,596</u>

Deferred Income (included within the above) 2012 £

Deferred income as at 31 August 2012 44,365

This includes £43,750 Outreach Grant and £615 for Academy Visits

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 16

Funds

	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains / Losses £	Balance as at 31 August 2012 £
Restricted general funds					
General Annual Grant	2,286,625	(1,897,559)	(307,440)	-	81,626
Start Up Grant	25,000	(17,496)	(7,504)	-	-
Other DfE/EFA Grants	26,233	(17,324)	-	-	8,909
Other Restricted Funds	84,355	(88,823)	-	-	(4,468)
	2,422,212	(2,021,201)	(314,944)	-	86,067
Restricted pension fund					
Pension reserve	(302,000)	(76,000)	96,000	(85,000)	(367,000)
	(302,000)	(76,000)	96,000	(85,000)	(367,000)
Restricted fixed asset funds					
DfE/EFA capital grants	31,645	(40)	-	-	31,605
Capital expenditure from GAG	-	(4,367)	211,440	-	207,073
Capital expenditure from other funds	1,692,994	(35,209)	7,504	-	1,665,289
	1,724,639	(39,616)	218,944	-	1,903,967
Total restricted funds	3,844,851	(2,136,817)	-	(85,000)	1,623,034
Unrestricted funds					
Unrestricted fund	268,288	(41,859)	-	-	226,429
	268,288	(41,859)	-	-	226,429
Total funds	4,113,140	(2,178,676)	-	(85,000)	1,849,463

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

General Annual Grant funds received from the YPLA/EFA for the running of The Ashley School Academy Trust

Start Up Grant funds received from YPLA to cover expenditure for conversion to Academy Status

Other DfE/EFA Grants funds received from the EFA for the provision of education such as Pupil Premium LACSEG and LACSSS

Other Restricted Funds balance of funds received on conversion to Academy Status The overspend is an error to be corrected where Pupil Premium has been accounted for twice

Pension Reserve represents the school's liability relating to the Local Government Pension Scheme

DfE/EFA Capital Grants funds provided by the Government towards specific capital projects

Capital expenditure from GAG and other funds represents the transfer of capital expenditure from restricted funds

The Ashley School Academy Trust

Note 17**Analysis of net assets between funds**

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2012 £
Tangible fixed assets	-	-	1,763,547	1,763,547
Current assets	226,744	153,348	140,419	520,512
Current liabilities	(315)	(67,281)	-	(67,596)
Non current liabilities	-	-	-	-
Pension scheme liability	-	(367,000)	-	(367,000)
Total net assets	226,429	(280,933)	1,903,967	1,849,463

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012**Note 18****Capital commitments**

2012

£

Contracted for, but not provided in the financial statements

House improvements

36,060**Note 19****Financial commitments**

The academy trust holds a long term lease of 125 years for land and buildings owned by Suffolk County Council for nil consideration

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 20

Reconciliation of net income to net cash inflow

2012

£

Net Income	1 934 463
Pension scheme deficit transferred in (year 1 only)	302,000
Depreciation	39,616
Capital grants from DfE and other capital income	(1,724,639)
Interest receivable	(434)
FRS17 pension cost less contributions payable	(36,000)
FRS17 pension finance income	16,000
Increase in debtors	(41,511)
Increase in creditors	67,596
Cash transferred on conversion to academy trust	(318,463)
Net cash inflow from operating activities	238,628

Note 21

Returns on investment and servicing of finance

2012

£

Interest received	434
Net cash inflows from returns on investments and servicing of finance	434

Note 22

Capital expenditure and financial investment

2012

£

Purchase of tangible fixed assets (note 13)	(1,803 163)
Capital grants from DfE/EFA (note 6)	31,645
Capital Donations (note 3)	1,692,994
Net cash outflow from capital expenditure and financial investments	(78,524)

Note 23

	Transferred at 1 September 2011 £	Cashflows £	At 31 August 2012 £
Analysis of changes in net funds			
Cash in hand and at bank	318,463	160,537	479,001
	<u>318,463</u>	<u>160,537</u>	<u>479,001</u>

Notes to the Financial Statements for the period ended 31 August 2012**Note 24****Members' Liability**

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

Notes to the Financial Statements for the period ended 31 August 2012**Note 25****Pensions and similar obligations**

The Academy'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 Suffolk County Council Both are defined-benefit schemes

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory contributory, defined benefit scheme The regulations under which the TPS operate are the Teachers Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

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

The last valuation of the TPS was as at 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable The cost sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable

Notes to the Financial Statements for the period ended 31 August 2012**Note 25****Pensions and similar obligations (continued)****Teachers' Pension Scheme (continued)**

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £117,000, of which employer's contributions totalled £96,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 2011/12 23.5%, 2012/13 24.5%, 2013/14 25.5% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £12,900	5.50%
12,901 - 15,100	5.80%
£15,101 - £19,400	5.90%
£19,401 - £32,400	6.50%
£32,401 - £43,300	6.80%
£43,301 - £81,100	7.20%
Above £81,100	7.50%

Principal Actuarial Assumptions

	31-Aug-12 % p a
Pension increase rate	2.20%
Salary increase rate	4.50%
Expected return on assets	4.50%
Discount rate	4.10%

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

	Males	Females
Current Pensioners	21.4 years	23.3 years
Future Pensioners	23.7 years	25.7 years

Notes to the Financial Statements for the period ended 31 August 2012**Note 25****Pensions and similar obligations (continued)****Local Government Pension Scheme (continued)**

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

	Expected return at 31 August 2012	Fair value at 31 August 2012
		£
Equities	5.5%	274,000
Bonds	2.8%	137,000
Property	3.7%	47,000
Cash	2.8%	14,000
Total market value of assets		472,000
Present value of scheme liabilities		
- Funded		(839,000)
Deficit in the scheme		(367,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy

The return on the Fund in market value terms for the period to 31 August 2012 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary

The actual return on the scheme assets for the period from 30 June 2011 to 30 June 2012 was (0.8%)

The estimated return for the period from 1 September 2011 to 31 August 2012 is 5.8%

Amounts recognised in the statement of financial activities

	2012
	£
Analysis of pension costs	
Current service cost	60,000
Total operating charge	60,000

	2012
	£
Analysis of pension finance income/(costs)	
Interest cost	(36,000)
Expected return on pension scheme	20,000
Pension finance income	(16,000)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £85,000 loss

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012

Note 25

Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2012
	£
Transfer in of scheme obligations	634,000
Current service cost	60 000
Interest cost	36 000
Contributions by scheme participants	21,000
Actuarial gains	88,000
Scheme liabilities at 31 August 2012	839,000

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

	2012
	£
Transfer in of scheme assets	332 000
Expected return on scheme assets	20 000
Contributions by employer	96 000
Contributions by scheme participants	21,000
Actuarial gains	3,000
Fair value of scheme assets at 31 August 2012	472,000

The estimated value of employer contributions for the year ended 31 August 2013 is £116,000

The history of experience adjustments is as follows

	2012
	£
Present value of defined benefit obligations	(839,000)
Fair value of share of scheme assets	472,000
Deficit in scheme	(367,000)
	£
Experience adjustments on share of scheme assets	3,000
Experience adjustments on scheme liabilities	(88,000)
	(85,000)

The Ashley School Academy Trust

Notes to the Financial Statements for the period ended 31 August 2012**Note 26****Related Party Transactions**

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Note 27**Conversion to academy trust**

Funds transferred from The Ashley School on 1 September 2011, following conversion to academy status were

	£
Fixed Assets	1,529,072
Cash at bank	318,463
LGPS Pension Surplus/(deficit)	(302,000)
Net assets/Liabilities	<u><u>1,545,535</u></u>
Represented by	
General unrestricted fund	124,993
Pension Fund	(302,000)
General restricted fund	<u>1,722,542</u>
	<u><u>1,545,535</u></u>

Note 28**Post balance sheet events**

On 24 September 2012, the Trust incorporated its trading subsidiary, Ashley School Trading Limited. The subsidiary signed a lease to operate Oulton Broad Water Sports Centre on 13 November 2012.