



THE ASHLEY SCHOOL
ACADEMY TRUST

SUPPORTING ACHIEVEMENT

THE ASHLEY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

Company Registration Number: 07729412

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THE ASHLEY SCHOOL ACADEMY TRUST

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THE ASHLEY SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members/Trustees	Mr D G Gowen*	(Chairman)
	Mr P Hayes*	(Vice Chairman, Responsible Officer, resigned 23.07.2015)
	Ms S Garrett*	(Headteacher and Accounting Officer)
Governors/Trustees	Miss A Howlett	(Community Governor, appointed 01.09.2014)
	Dr C S Hyde	(Community Governor)
	Mr M H Lott*	(Community Governor)
	Mrs M Trowbridge	(Staff Governor)
	Mr P Wilkinson	(Community Governor)
	Mr T McKie*	(Parent Governor, appointed 09.07.2014)
	Ms J Lehair	(Parent Governor, appointed 10.12.2014)
	Mrs L Burton	(Teacher Governor, appointed 10.12.2014)
	Mr D Payne	(Parent Governor, appointed 10.12.2014)

* members of the Leadership and Management Committee

Company Secretary	Ms D L Petty	
Senior Leadership Team	Ms S Garrett	(Headteacher)
	Mr A Wright	(Deputy Headteacher)
	Mr A McAvoy	(Deputy Headteacher)
	Mr M Kemp	(Strategic Business Manager)

Company name The Ashley School Academy Trust

Principal and Registered Office Ashley Downs
Lowestoft
Suffolk, NR32 4EU

Company registration number 07729412

Independent Auditor Lovewell Blake LLP
Chartered Accountants
& Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich, NR7 0LB

Bankers Lloyds TSB Bank plc
16 Gentleman's Walk
Norwich
Norfolk, NR2 1LZ

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

Directors of Ashley School Trading Ltd

Mr D G Gowen	(Director)
Mr M H Lott	(Director)
Ms S Garrett	(Director)
Mr L Chapman	(Director)
Mr R Dell	(Director)

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates The Ashley School, a day and residential school that provides for pupils aged 7 to 16+ years (National Curriculum years 3 to 11). Its core service is to provide high quality specialist education to pupils with complex, moderate learning difficulties many with associated disabilities such as speech and language, autism, social, emotional and mental health. It has a pupil capacity of 136 and had a roll of 136 on the school census in Summer 2015.

Structure, governance and management

Constitution

The Ashley School Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors of The Ashley School Academy Trust 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 year are included in the Reference and Administrative information on page 3.

Members' Liability

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

Governors' Indemnities

Subject to the provisions of the Companies Act, every Governor or other officer or auditor of the School shall be indemnified out of the assets of the School against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the School. As explained in Note 11 to the Financial Statements the limit of this indemnity is £1,000,000.

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, and 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.

On-going skills audit and training offer, e.g. SSAT Leading Outstanding Special Schools; Learning Walks; Safeguarding and Standard 20 visits, Ofsted framework, MATs (Multi-Academy Trusts) and Induction Programme through Governor Services.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Structure, governance and management (continued)

Governors Recruitment, Induction and Training Procedures (continued)

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 termly basis. A record of all training is kept by the Clerk.

Organisational structure

At The Ashley School Academy Trust the organisational structure consists of the Governors (Directors) including the Headteacher, the two Deputy Headteachers and then the wider Leadership Team (SLT) (see *appendix 1*).

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 its members to certain Committees.

The Governing Body consists of 4 Committees: *The Executive Committee (Chairs of all Committees); The Leadership and Management Committee (which oversees the Trading Subsidiary (OBWSC) Directors); The Pupil Achievement Committee; The Behaviour and Safety Committee.*

Connected organisations, including related party relationships

The Academy is a lead school within Challenge Partners Hub, called East Coast Hub. Challenger Partners is a national network of local partnerships that challenge each other to improve, advancing the quality of sustainable teaching and leadership through the generation and transfer of knowledge. Challenge Partners consists of:

Hub – A local network of schools who come together to pool their knowledge and resources;

Partners – Members of the Hub who participate in its activities;

Senior Partners – Headteachers of the lead Hub school.

We are involved directly with the Initial Teacher Training partnership established with UEA (University of East Anglia) and this continues to grow.

The Ashley School Academy Trust works in close partnership with local Further Education providers to support pupils post-16 culminating in an annual Pathways evening.

In December 2012 we incorporated Ashley School Trading Limited (t/as Oulton Broad Water Sports Centre (OBWSC)) as a Trading Subsidiary of the Academy Trust and this is located at a different site.

Objectives and activities

Objects and aims

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 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.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Objectives and activities (continued)

Objectives, strategies and activities

The 3-year School Development Plan objectives for 2013-2016:

- Leadership and Management – to promote and embed 'OUTSTANDING' Leadership and Management including:
 - Communicate success to build upon on-going challenges and areas for development for all staff; including staff understanding of whole school impact and priorities and their role within these and their commitment to key developments (TAS Windows);
 - SLT Report to each Governing Body to include an update on the Key Reporting Indicators from the SDP;
 - Embed SEF1 and SEF2;
 - Commissioning of external professional development to secure effective Leadership & Management at all levels;
 - Work collaboratively with the other Special School Outreach Services;
 - Work in partnership through "Raising the Bar";
 - Investigate opportunities to become more involved with local "Teaching School Alliances";
 - Role of The Ashley School Academy Trust as NSS/NLE;
 - Commissioning of Outreach;
 - Commissioning of Residence.
- Behaviour and Safety:
 - Further develop Reporting Indicators in order to set targets;
 - Further develop the role of TASAT Proactive PFS team and evaluate impact on pupil progress;
 - Develop clarity of role and impact of new Key Stage Leaders;
 - Embed SEAL APP;
 - Review designated staff roles/responsibilities in relation to E-safety/Anti-bullying and Safeguarding self-review;
 - Ongoing CPD for E-safety Champion;
 - Ongoing E-safety CPD for staff;
 - Maintain individual focussed attendance strategies and individual plans;
 - Maintain half-termly attendance celebrations;
 - Regularly review Governors "Behaviour and Safety" Committee terms of reference to be explicit around individual needs of those who may need safeguarding;
- Outreach:
 - Plan for a new two stage model of Outreach to take account of staffing change and possible new commissioning;
 - Continue to work with the LA who commission the service;
 - Develop website to take account of Outreach;
- Residence:
 - Further develop sharing good and outstanding practice in school;
 - Review SLA/commissioning with Local Authority including future budget models re. Residence;
 - Continued improvement in the residential living spaces;
 - Further embed target setting process to support outstanding outcomes;
 - Investigate ways to further evidence the long term impact of residence on our pupils;
 - Develop volunteering opportunities for pupils and to investigate awards for pupils to achieve through their volunteering;

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Objectives and activities (continued)

Objectives, strategies and activities (continued)

- Residence (continued)
 - To investigate new innovative ways to measure pupil progress;
 - Develop new model for the conducting of Standard 20 Visits.
- Pupil Achievement: See achievements and performance
 - Development of TASAT "staged" assessment model;
 - Audit and analyse KS4 Outturn data 2015 to include overall trend comparison; against predictions/targets; by subject; by selected groups;
 - Audit and analyse KS2 Outturn data 2015 to include overall trend comparison; against predictions/targets; by subject; by selected groups;
 - Audit and analyse TAS progress data 2015 to include overall trend comparison; against predictions/targets; by subject; by selected groups;
 - Share data analysis with leadership teams and Governors and set targets for 2015/2016;
 - TLR improvement plans to be in place;
 - All pupils to be entered for English and Maths accreditation;
 - Ensure all baseline data is available through prior information, TAS baseline and/or TAS staff professional judgements within 3 weeks of starting;
 - Ensure, through robust data collection processes, that termly progress data is accurately entered into matrix;
 - TAS Provision Map' includes FFT (Fisher Family Trust) and TAS targets;
 - Ongoing CPD for key SLT regarding use of FFT data and target-setting; ensuring SLT have access and understanding and TLRs have timely access;
 - Ongoing CPD for all delivery staff to ensure teaching and learning is at least consistently good with greater proportions Outstanding;
 - Ongoing CPD reviewed to meet the needs of all teachers and deliverers alongside Good and Outstanding T&L and revised Ofsted Framework 2015;
 - September 2015 Ofsted Framework – ensure all staff know what "good" and "outstanding" looks like within TAS context;
 - Establish criteria and action plan regarding improving reading and defining "Good" progress in reading;
 - Revisit and develop further staff expertise using 'informed marking/effective feedback.
 - Continue to develop "GOLD" standard and progress 8.
- Quality of Teaching and Learning:
 - Define Outstanding Teaching, Learning and Assessment within TAS context and new Ofsted Framework 2015;
 - Securing Outstanding – individual coaching and mentoring;
 - Targeted Teaching School Alliance CPD – Informed Marking/AfL:
 - Commission external support with regards to self-review – peer challenge model;
 - Robust Performance Management Target Setting;
 - Embed SEAL Champions group regularly reporting to staff;
 - Continue to raise expectations for achieving at least 5 ELQs accreditations (TAS GOLD & Progress 8).

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Objectives and activities (continued)

Public Benefit

The key public benefit delivered by The Ashley School Academy Trust is the maintenance and delivery of high quality specialist education to pupils with complex, moderate learning difficulties many with associated disabilities such as speech and language, autism, social, emotional and mental health. Ofsted has rated the academy as outstanding through being "a school in which pupils thrive" and where "pupils benefit greatly from an excellent range of opportunities which supports their learning and progress exceptionally well."

The Governors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

Achievements and performance

In the period leading up to the period 31 August 2015:

Gold Standard Summary (TASDA+)

	2010/11	%	2011/12	%	2012/13	%	2013/14	%	2014/15
Total Number in Year Group	19		21		20		19		19
At least 1 ELQ	17	89.5%	21	100%	20	100%	19	100%	95%
English and Maths ELQ	16	84.2%	20	95.2%	18	90%	19	100%	95%
At least 5 ELQ including English/Maths	16	84.2%	20	95.2%	16	80%	19	100%	95%
At least 1 level 1 (D-G) qualification	11	57.9%	20	95.2%	15	75%	19	100%	84.2%
At least 2 level 1 (D-G) qualification	7	36.8%	16	76.2%	8	40%	15	78.9%	42.1%
At least 3 level 1 (D-G) qualification	0	0%	11	52.4%	0	0%	12	52.6%	28.3%

Accreditation	Yr 11 2011	Yr 11 2012	Yr 11 2013	Yr 11 2014	Yr 11 2015
KS4 Qual. APS (of Yr 11 Cohort) – Core Accreditation (En, Ma, Sc)	17	17.3	12.2	17.2	16.5
Average Total Points (All Accredited Qualifications)	101.7	123.6	78.4	144.7*	123.1
Average Points Per Entry (all Accredited Qualifications)	16.4	16.8	14.8	16.9	14.9

- **Outstanding** Ofsted School Inspection (Ofsted, April 2014)
- **Outstanding** Ofsted Inspection of Residential Provision with outstanding outcomes for pupils (Ofsted, Jan 2015)
- 95% of pupils' achieved at least one Entry Level Qualification.
- 95% of pupils achieved both Entry level English and Maths.
- 95% of pupils achieved 5 Entry Level passes.
- 84.2% of pupils achieved at least one level 1 or equivalent qualification (D-G).
- Pupils have had a wide range of accreditation including OCR, City & Guilds, National Sports Leaders, CIEH and Trinity Guildhall.
- There is no discernible difference in the performance of vulnerable groups (FSM, LAC, ASD) as evidenced by pupil progress data.
- Pupils have taken part in performing at Snape as part of the regional "Celebration of Schools' Music".

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Achievements and performance (continued)

- Continued success in regional sporting events including Norwich City Powerleague and East Anglia Cross County.
- Music and Drama productions from pupils in KS2 and KS3 were highly successful, including pantomime and 70's Summer Show.
- Embedded 'Arts Award' into KS2.
- Challenge Partners QAR (Quality Assurance Review) training undertaken by middle leaders.
- Challenge Partner "growing hub" – East Coast Hub.

Governors' Impact

Leadership and Management

- Compliance with changes in 'landscape' whilst ensuring positive pupil outcomes
- Recruitment and retention of high quality staff, including Senior and Middle Leaders
- Higher levels of staff well-being
- Access to appropriate postgraduate study
- Reduced levels of staff absence (elimination of long-term absence)
- Productive and purposeful staff relations (absence of 'workplace conflict')
- All employees at good or outstanding levels of 'performance'
- Enhanced learning environment (e.g. residence and swimming pool changing rooms)
- Improved working conditions upgraded quality of curriculum provision
- Improvements to site security (Dardan)
- Securing Outreach tender for next 3-5 years

Behaviour and Safety

- Enhanced learning environment
- Improved working conditions
- Upgraded quality of curriculum provision
- Improvements to site security (Dardan) and re-cabling and installation of CCTV cameras to make the site safer for both pupils and staff
- PFS rapid response and timetabled intervention for targeted pupils
- Reduced incidents in social time
- Improved communication and pupil outcomes

Pupil Achievement

- Significant and sustained improvement in outcomes from pupils' starting points
- Confidence in the quality and impact of pastoral provision
- Pupil data re: need available for staff therefore more accurate and differentiated planning to meet need
- Governors better informed regarding quality of teaching & learning and pupil progress
- Governors' better informed regarding phonics and creative writing.
- School improvement

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Achievements and performance (continued)

Key financial performance indicators

The basis of our funding has changed and this has led to more detailed KPI reporting, therefore, Performance Indicators for 2014/2015 for the academy only are as shown below. The values shown include income and expenditure between the Trust and Ashley School Trading Limited which have been eliminated on consolidation and have been categorised for management information purposes which differs to that of note 7 on page 41.

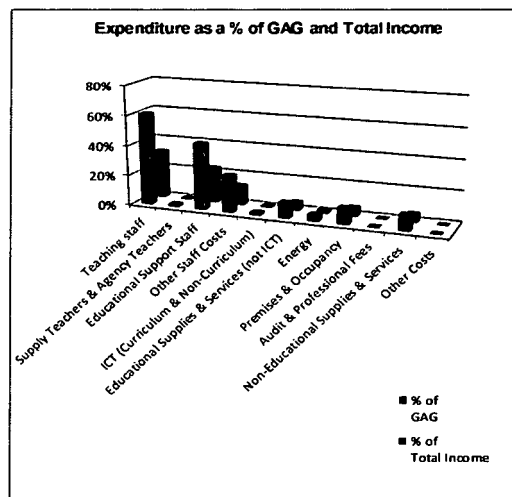
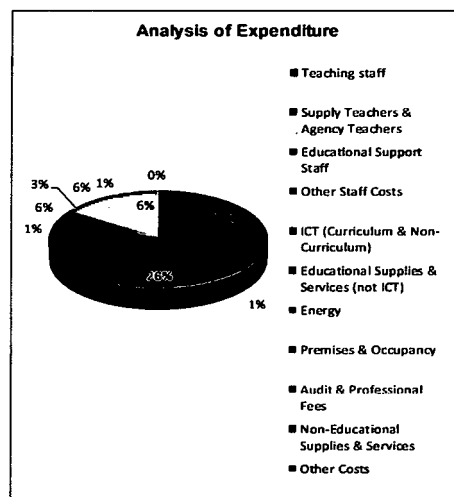
Performance Indicators for the period ending August 2015

Pupil Numbers N-Y13

The Ashley School Academy Trust	135
	135

Income	Total £	Per Pupil £
General Annual Grant (GAG)	1,475,408	10,929
Other Grant Funding	1,176,229	8,713
Self-Generated Income	159,781	1,184
Total Income	2,811,418	20,826

Expenditure	Total £	Per Pupil £	rounded to the nearest 1%		
			% of GAG	% of Total Income	% of Expenditure
Teaching staff	904,048	6,697	61%	32%	36%
Supply Teachers & Agency Teachers	29,510	219	2%	1%	1%
Educational Support Staff	655,697	4,857	44%	23%	26%
Other Staff Costs	363,740	2,694	25%	13%	14%
ICT (Curriculum & Non-Curriculum)	30,419	225	2%	1%	1%
Educational Supplies & Services (not ICT)	156,014	1,156	11%	6%	6%
Energy	67,408	499	5%	2%	3%
Premises & Occupancy	162,050	1,200	11%	6%	6%
Audit & Professional Fees	10,495	78	1%	0%	0%
Non-Educational Supplies & Services	154,581	1,145	10%	5%	6%
Other Costs	3,233	24	0%	0%	0%
Total	2,637,196	18,794	172%	90%	100%



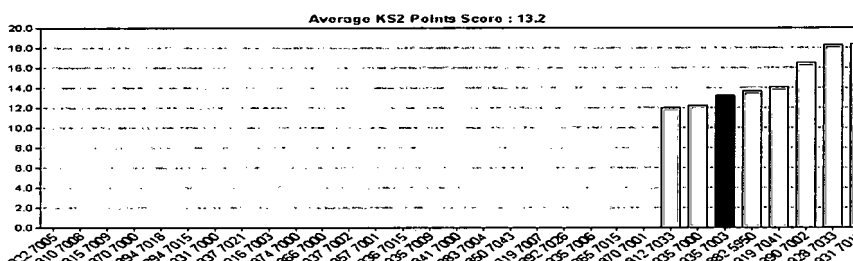
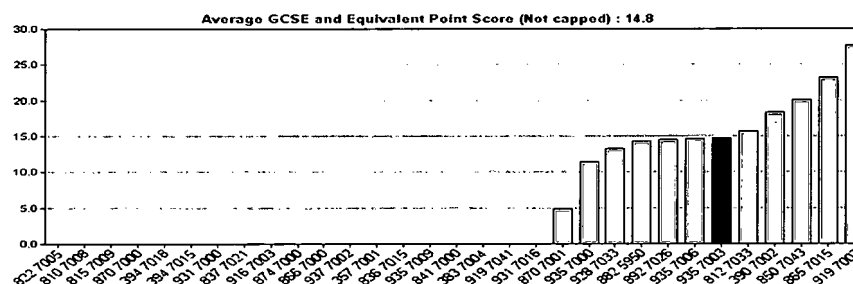
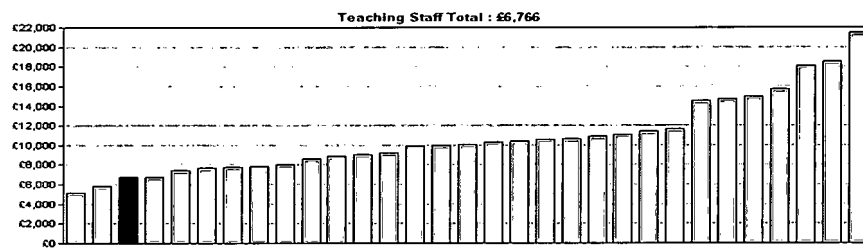
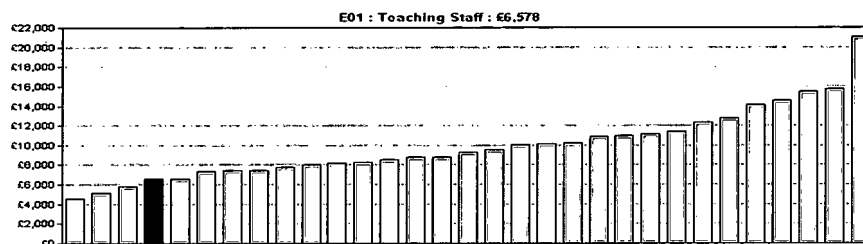
THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Achievements and performance (continued)

Key financial performance indicators (continued)

Benchmarking against National Special Schools:



THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

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 continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's income is obtained from the Department of Education via 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 year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2015, total expenditure of £2,644,765 was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the period has been a strategic plan by the Governing Body to support the additional programme of building work to improve the educational site for the students and staff and to militate against future cuts in recurrent grant levels.

Although current year costs were in excess of the contributions, at the year end the Pension fund deficit had decreased from £630,000 to £628,000 due to gains on the revaluation of £12,000.

Reserves Policy

This policy has been drawn-up taking into account guidance from the Charity Commission's *Charities and Reserves*: and was approved by Governors in March 2015. It details:

Definitions and goals

- Restricted Reserves
- Unrestricted Funds
- Designated Funds

Use of reserves

- Identification of appropriate use of reserve funds
- Authorisation of use of reserves
- Reporting and monitoring

Purpose

The purpose of the reserve policy for The Ashley School Academy Trust is to ensure the stability of the Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

Future Planned Expenditure for built up reserves:

- Post-16 development for high functioning ASD pupils;
- To plan for future increases in both employers National Insurance and Superannuation contributions;
- To continue to invest in 21st Century technologies;
- To deliver identified priorities for the school asset development, including replacement of critical windows, environmental improvements to include boiler replacement and solar PV panels, redevelopment of the drama studio, development of music facilities, enhancements to ICT teaching space provision;
- Provision of lift to teaching block (KS2);
- Review and development of increasing provision for Speech & Language;
- To consider further projects as identified by SLT/Governors.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Financial Review (continued)

The amount held in reserve is reviewed annually to ensure that sufficient funds are available to adequately sustain and continue open operation of the school in line with the Critical Incident and Business Continuity Policy approved by Governors.

Actual

As at 31 August 2015, free reserves (represented by unrestricted net current assets) amounted to £411,411.

Investment Policy

In addition to cash held for the day to day operation of the Academy, the Academy held a short term investment (12 months) which will mature in August 2016.

The Academy seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The level of investment will depend on resources available at the time the investment is considered and will take into account the current financial situation as well as consideration of the finances during the period the investment is being considered for. Equally the Governors will take a view of prevailing national economic circumstances and the credit ratings of those who are offering investment opportunities. Finally, the period of the investment will be judged on the rates available and other Academy priorities at the time.

Principal Risks and Uncertainties

In September 2015 the Governors approved a revised Risk Management Policy and a significantly more comprehensive Risk Register which had been prepared during the summer of 2015.

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.

This is done through the Committees and includes educational risks such as the Academy not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. In this way steps are taken to mitigate risk. The Risk Register is managed through the Governors' Leadership and Management Committee.

The Governors are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

The Leadership and Management Committee have identified the top five risks faced by the Academy as:

- Loss of key person/succession risk;
- Over-reliance on one form of income;
- Risk that legislative requirements are not known or complied with;
- Academy receives unfavourable Ofsted report;
- Data protection risk.

Some significant risks such as public and employee liability are covered by the Academy's insurance policy. In September 2015 the Academy switched from conventional insurance policy to the Risk Protection Arrangements (RPA) provided by the Department for Education through its delivery arm the Education Funding Agency (EFA).

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Plans for future periods

During 2015/2016 there will be the following focuses:

- Leadership and Management to promote and embed 'OUTSTANDING' Leadership and Management including:
 - Communicate success to build upon on-going challenges and areas for development to all staff;
 - Ensure the development of practices set out in all of the SDP action plans and are embedded effectively across the school leading to the intended outcomes for learners;
 - Further develop the information provided to the Governing Body, emphasising the outcomes for learners in the key areas of the SDP (key Reporting Indicators);
 - Safeguarding Self-Review Audit and Action Plan;
 - Maintain Outstanding Teaching and Learning;
 - In line with the national "changing landscape" re. curriculum and 'assessment beyond levels';
 - Behaviour 4 Learning;
 - Further development of robust electronic management systems to improve the access to and informed use of data at all levels;
 - Review the questionnaires used annually to gather the views of pupils, parents/carers, staff from staff and partner agencies;
 - Review the SLAs with the LA including future budget models re. Outreach provision and Residential provision;
 - Further develop at all levels of leadership, including Governors, the effective use of good and accurate self-review which informs priorities for development and the rigorous implementation of focused improvement plans. In addition taking account of the new Ofsted framework.
 - Education Improvement Officer to be commissioned for focused meetings with members of the distributed leadership team to review the specific lead areas.
 - Investigate opportunities, with Suffolk LA, DfE and local providers, to improve post-16 curriculum;
 - Deliver, in line with the revised Code of Practice, 0-25 EHC assessments, plans and reviews (Pupil centred), Local Offer and Personal Budgets.
- Behaviour and Safety:
 - Action behaviour data to continue to improve systems,
 - Development of a common language (scripts) with learners regarding behaviour and choices;
 - Whole school review of behaviour 4 learning policy and practice;
 - Review and further develop the de-escalation responses with learners;
 - Review our practice with regard to anti-bullying;
 - Further develop our anti-bullying practice in line with the outcomes of the supported self-review;
 - Further develop E-Safety understanding, knowledge and policy for staff, pupils and working with parents/carers;
 - Further safer recruitment training for SLT;
 - Review information for parents/carers to ensure understanding of safeguarding/e-safety etc;
 - Continue to monitor behavioural incidents and specifically in terms of repeat behaviours;
 - Embed and review both the effective use of the Collaborative Problem Solving Approach (CPSA) and APP for SEAL;
 - Train and develop staff therapeutic skills to support complex pupil needs. Plan effective personalised deployment strategy.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE GOVERNORS (including Strategic Report) for the year ended 31 August 2015

Plans for future periods (continued)

- Outreach:
 - Plan in line with SENDAT the new model of Outreach to take account of the Service and changes to the commissioning;
 - Work with SENDAT who will commission the Service from January 2016;
- Residence:
 - Evaluate provision against the new National Minimum Standards,
 - Report on residence both as integral and as a specific provision,
 - Introduce 3P (promoting positive parenting) model to residence,
 - Continue with SEAL in the residential context and further assess its impact;
 - Review and evaluate residential accreditation. Plan for any improvements,
 - Work with the LA around SEN provision and the gaps around provision.
- Pupil Achievement: See achievements and performance
 - Ensure thorough, robust data collection;
 - Continued CPD regarding moderation for subject teacher assessments;
 - Further develop KS2 moderation processes within local and cross-county context;
 - Curriculum Review which includes both pupils and staff;
 - Establish criteria and action plan regarding improving reading and defining good process in reading;
 - Embed phonics;
 - Work with Tricky Art to develop more creative writing opportunities within KS2;
 - Develop strategies to engage parents to further support learners in school;
 - Further develop teaching strategies/skills that provide inspiring opportunities that challenge pupils consistently across the school.
- Quality of Teaching and Learning:
 - Continue teaching with Outstanding outcomes;
 - Continue working with Challenge Partners to build relations and challenge each other to improve;
 - Embed use of data to inform planning and interventions;
 - Embed informed marking policy;
 - Embed Ofsted outcomes – creative writing and phonics;
 - Further develop data systems and ensure access for all staff within their role;
 - Fully embed use of SEAL APP;
 - Continue to raise expectations for achieving at least 5 ELQs accreditations (TAS GOLD)
 - Continue to recognise and celebrate pupils' achievement.

Auditor

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 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.

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The report of the Governors, including Strategic Report, was approved by the Governors on 9 December 2015 and signed on their behalf by:

Mr D G Gowen
Chair of Governors



THE ASHLEY SCHOOL ACADEMY TRUST

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 to 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 Governors have met formally as a Full Governing Body three times during the year and attendance at these meetings is as follows:

Governor	Meetings attended	Out of a possible
Mr D G Gowen (Chair)	3	3
Mr P Hayes (Vice Chair, RO)	3	3
M H Lott	3	3
Dr C S Hyde	3	3
Mr D Payne	3	3
Miss A Howlett	3	3
Mr P Wilkinson	3	3
Mrs M Trowbridge (Staff Governor)	2	3
Mrs L Burton (Staff Governor)	3	3
Ms S J Garrett (Headteacher and Accounting Officer)	3	3
Mr T McKie	3	3
Miss J Lehair	3	3

The main challenges that have arisen for the Governing Body in the year are:

- Securing the appropriate Leadership structure;
- Develop new Performance Management system;
- Changes to funding - securing 'equivalence funding' through new National Fair Funding especially with regards to High Needs 'Top Up' and Residence;
- Changes in Government Initiatives;
- Changing Practices in Education, Health and Care Standards strategically affecting the Academy;
- Adapting and adopting the new Pay Policy;
- Outreach.

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Governance Reviews

The Governors have undertaken the following reviews during the year:

- Learning Walks
- Ofsted Inspection with Outstanding outcomes;
- Training with and meeting other Governing Bodies to share good practice;
- Safeguarding self-evaluation identifying further E-safety training/updates;
- Chair of Governor meets regularly with the Headteacher;
- Governors involved in SSAT (Leading the Outstanding Special School) and visited other, similar schools across the Country;
- Governors Self-Challenge (The Key);
- Links with Senior and Middle leaders through subject focus;

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

- Act in accordance with the School Governance Regulations and other legislation affecting the conduct and responsibilities of School Governing Bodies. To have regard, in carrying out delegated functions, to the School Improvement Plan approved by the Governing Body. To act in accordance with the DFE and EFA for the delegation of funds to schools.
- 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.

Terms and Conditions of the Committee changed following the formation of the Trust's Trading Subsidiary Ashley School Trading Limited (t/as Oulton Broad Water Sports Centre). The Directors of the Trading Subsidiary meet regularly to keep abreast of financial stability during inception. All financial terms and conditions of the Trading Subsidiary are a mirror of the Trust.

Attendance at meetings of the Leadership & Management Committee in the year were as follows:

Governor	Meetings Attended	Out of a Possible
D G Gowen	6	6
P Hayes	6	6
M H Lott	4	6
S J Garrett	5	6

Attendance at the Trading Subsidiary meetings in the year was as follows:

Director	Meetings Attended	Out of a Possible
D G Gowen	6	7
M H Lott (Chair)	7	7
L C Chapman	3	7
R Dell (co-opted)	5	7
S J Garrett	7	7
P Hayes (Trust Observer)	5	7

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

The Ashley School Academy Trust is nationally recognised as 'Outstanding' (Ofsted April 2014).

- We apply value for money principles (economy, efficiency and effectiveness) and good practice when making purchasing decisions through the seeking of competitive quotations for bespoke work and use of EU compliant purchasing consortiums for day to day purchases.
- We allocate resources to best promote the aims and values of the school.
- We target resources to best improve standards and the quality of provision.
- We use resources to best support the various educational needs of all pupils.
- Our annual budget is fully aligned with achievement of the goals and aims within the School development plan.
- Monthly budget monitoring is undertaken by the Strategic Business Manager and termly reports are taken to Governors where they are considered and challenged.
- We have restructured and streamlined our Senior Leadership Team.
- We have used Pupil Premium funding to enhance our Pupil and Family Support Team to raise attendance, reduce exclusions and promote greater attendance and attainment for our pupils.
- Personalising curriculum for gifted and talented KS4 pupils within existing resources / staff.
- As an 'Outstanding' school we are sharing good practice:
 - We lead the East Coast Hub for Challenge Partners.
 - We share good practice within the Lowestoft Secondary Collaboration.
 - We are an SSAT Outstanding School.
 - We share good practice within the North Lowestoft Primary Cluster.
 - Our Headteacher is a National Leader in Education (NLE) and our school is a National Support School (NSS)
 - We are members of the Suffolk Learning Partnership.
 - We work collaboratively with other Suffolk Special Schools on service provision and particularly in support of the delivery through our Outreach Partnership.
 - **Outstanding** Ofsted Inspection of Residential Provision with outstanding outcomes for pupils (Ofsted, Jan 2015);
 - 95% of pupils' achieved at least one Entry Level Qualification.
 - 95% of pupils achieved both Entry level English and Maths.
 - 95% of pupils achieved 5 Entry Level passes.

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Review of Value for Money (continued)

- 84.2% of pupils achieved at least one level 1 or equivalent qualification (D-G).
- Pupils have had a wide range of accreditation including OCR, City & Guilds, National Sports Leaders, CIEH and Trinity Guildhall.
- There is no discernible difference in the performance of vulnerable groups (FSM, LAC, ASD) as evidenced by pupil progress data.
- Pupils have taken part in performing at Snape as part of the regional "*Celebration of Schools' Music*".
- Continued success in regional sporting events including Norwich City Powerleague and East Anglia Cross County.
- Music and Drama productions from pupils in KS2 and KS3 were highly successful, including pantomime and 70's Summer Show.
- Embedded 'Arts Award' into KS2.
- Challenge Partners QAR (Quality Assurance Review) training undertaken by middle leaders.
- Challenge Partner "growing hub" – East Coast Hub.
- All groups make Outstanding progress
- There is a robust system of effective financial controls which are regularly externally reviewed and subsequently monitored by the Governing Body and amended/adjusted in accordance with recommendation and / or legislation.
- We operate an effective tendering process enabling best value for money to be obtained.
- We have looked at the more effective use of IT resources and are investing in staff development to make greater use of SIMS through investment and staff training.
- We have redeveloped our financial monitoring system to enhance and inform further our understanding of costs.
- We continue to benchmark outcomes with our Challenge Partner Schools.
- We work in an atmosphere which promotes a culture of reflect and review.
- Governors regularly review the controls and new risks identified throughout the year and put into place contingencies and timescales when needed.
- An area of weakness, which we are seeking to address, is income generation through greater sharing of our resources within the local community.

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 School Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

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 1 September 2014 to 31 August 2015 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 and all risks are recorded in a risk register.

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 Schools' Choice to provide Internal Audit Service to the Academy.

To maintain independence, a nominated Governor (previously designated Responsible Officer has received the Internal Auditors feedback/report independently of the Headteacher and Strategic Business Manager. He has then reported back to the next Leadership & Management Committee upon receipt of each report.

The internal auditor's role 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 payroll systems
- testing of purchase systems
- testing of control accounts
- review of the system of financial planning and monitoring
- review of system of asset control and data security

On a termly basis the Internal Audit Service 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 the Headteacher 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 auditor;
- 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 ASHLEY SCHOOL ACADEMY TRUST

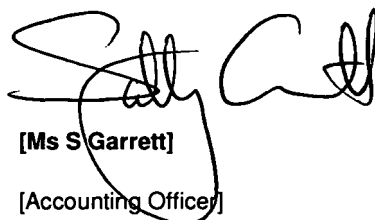
GOVERNANCE STATEMENT (continued)

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 9 December 2015 and signed on its behalf by:



[Mr D.G. Gower]
[Chair]



[Ms S. Garrett]
[Accounting Officer]

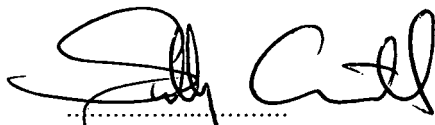
THE ASHLEY SCHOOL ACADEMY TRUST

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 for Education. 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. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.


.....
Ms S Garrett
Accounting Officer

Date 9 December 2015

THE ASHLEY SCHOOL ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees of The Ashley School Academy Trust Limited and are also the directors of the charitable company and the group for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 the group 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 2005;
- 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 and the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 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 9 December 2015 and signed on its behalf by:



Mr D G Gowen
Chair of Governors

THE ASHLEY SCHOOL ACADEMY TRUST

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

We have audited the financial statements of The Ashley School Academy Trust for the year ended 31 August 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Academy Balance Sheet, the Consolidated and Academy Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trust 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 23, 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this. 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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent academy trust's affairs as at 31 August 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 to 2015 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 including the Strategic Report for the period for which the financial statements are prepared is consistent with the financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

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

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:

- the parent academy trust has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy trust's financial statements are not in agreement with the accounting records and returns; or
- 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.

LoveWell Blake LLP

17/12/15

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

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'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 5 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ashley School Academy Trust during the period 1 September 2014 to 31 August 2015 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 Ashley School Academy Trust and EFA in accordance with our engagement letter. Our work has been undertaken so that we might state to The Ashley School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Ashley School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Ashley School Academy Trust accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Ashley School Academy Trust's funding agreement with the Secretary of State for Education dated 10 August 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel
- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHLEY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

Approach (continued)

- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the academy are in keeping with the academy's framework and charitable objectives
- Ensuring that key staff and Governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring any contracts with connected parties have been procured following the Academy's procurement and tendering process, and if contracts were entered to after 7 November 2013 that the Academy has obtained statements of assurance confirming no profit element was charged
- Ensuring expenditure does not contravene the funding agreement
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook
- Ensuring that where special payments, including compromise agreements, have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Academy's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.6 of Managing Public Money and that tendering processes have been adhered to

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Lowell Blake LLP 17/12/15
MARK PROCTOR ACA DChA (Reporting Accountant)
For and on behalf of LOVEWELL BLAKE LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

THE ASHLEY SCHOOL ACADEMY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2015
(including Income and expenditure account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	12,573	-	-	12,573	1,380
Activities for generating funds	3	159,005	-	-	159,005	122,574
Investment income	4	4,390	-	-	4,390	1,121
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	5	-	2,651,637	8,320	2,659,957	2,947,433
Total incoming resources		175,968	2,651,637	8,320	2,835,925	3,072,508
Resources expended						
Charitable activities:						
Academy's educational operations	6	79,622	2,471,490	79,448	2,630,560	2,359,170
Governance costs	8	3,710	10,495	-	14,205	12,155
Total resources expended	6	83,332	2,481,985	79,448	2,644,765	2,371,325
Net incoming resources before transfers		92,636	169,652	(71,128)	191,160	701,183
Gross transfers between funds	17	(6,574)	(174,909)	181,483	-	-
Net income/(expenditure) for the year		86,062	(5,257)	110,355	191,160	701,183
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17/26	-	12,000	-	12,000	(293,000)
Net movement in funds		86,062	6,743	110,355	203,160	408,183
Reconciliation of funds						
Funds brought forward at 1 September 2014	17	325,349	291,815	2,074,040	2,691,204	2,283,021
Funds carried forward at 31 August 2015	17	411,411	298,558	2,184,395	2,894,364	2,691,204

All of the Academy's activities derive from continuing operations during the financial period.

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

The notes on pages 33 to 51 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST**CONSOLIDATED BALANCE SHEET at 31 August 2015**

	Note	£	2015 £	2014 £
Fixed Assets				
Tangible Assets	14		2,184,395	2,082,102
Current Assets				
Stock		6,774		3,604
Debtors	15	61,604		85,203
Cash at bank and in hand		1,487,010		1,347,015
		1,555,388		1,435,822
Current liabilities				
Creditors: Amounts falling due within one year	16	(217,419)		(196,720)
Net current assets			1,337,969	1,239,102
Total assets less current liabilities			3,522,364	3,321,204
Pension scheme liability	26	(628,000)		(630,000)
Net assets including pension liability	17		2,894,364	2,691,204
Funds				
Restricted funds				
General fund	17	926,558		921,815
Fixed asset fund	17	2,184,395		2,074,040
Pension reserve	17	(628,000)		(630,000)
Total Restricted Funds			2,482,953	2,365,855
Unrestricted funds				
General fund	17	414,503		326,505
Ashley School Trading Limited	17	(3,092)		(1,156)
Total Unrestricted Funds			411,411	325,349
Total Funds			2,894,364	2,691,204

The financial statements on pages 28 to 51 were approved by the Governors, and authorised for issue on 9 December 2015 and are signed on their behalf by:


D G Gowen
 Chairman of Governors

The notes on pages 33 to 51 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST**ACADEMY BALANCE SHEET at 31 August 2015**

	Note	£	2015 £	2014 £
Fixed Assets				
Tangible Assets	14		2,184,395	2,082,102
Current Assets				
Stock		6,774		3,604
Debtors	15	62,638		90,255
Cash at bank and in hand		1,438,963		1,260,364
		1,508,375		1,354,223
Current liabilities				
Creditors: Amounts falling due within one year	16	(159,571)		(106,222)
Net current assets			1,348,804	1,248,001
Total assets less current liabilities			3,533,199	3,330,103
Pension scheme liability	26	(628,000)		(630,000)
Net assets including pension liability			2,905,199	2,700,103
Funds of the Academy Trust				
Restricted funds				
General fund	17	926,558		921,815
Fixed asset fund	17	2,184,395		2,074,040
Pension reserve	17	(628,000)		(630,000)
Total Restricted Funds			2,482,953	2,365,855
Unrestricted funds				
General fund	17	414,503		326,505
Ashley School Trading Limited	17	7,743		7,743
			422,246	334,248
Total Funds			2,905,199	2,700,103

The financial statements on pages 28 to 51 were approved by the Governors, and authorised for issue on 9 December 2015 and are signed on their behalf by:

D G Gowen
Chairman of Governors

The notes on pages 33 to 51 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

**CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	21	309,026	359,353
Returns on investments and servicing of finance	22	4,390	1,121
Capital expenditure and financial investment	23	(173,421)	(92,131)
Increase in cash in the period		139,995	268,343
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014	24	<u>1,347,015</u>	<u>1,078,672</u>
Net funds at 31 August 2015	24	<u>1,487,010</u>	<u>1,347,015</u>

The notes on pages 33 to 51 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

**ACADEMY CASH FLOW STATEMENT
for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	21	347,630	382,405
Returns on investments and servicing of finance	22	4,390	1,119
Capital expenditure and financial investment	23	(173,421)	(92,131)
Increase in cash in the period		178,599	291,393
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014	24	<u>1,260,364</u>	<u>968,973</u>
Net funds at 31 August 2015	24	<u>1,438,963</u>	<u>1,260,364</u>

The notes on pages 33 to 51 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

1. 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 Annual Academies Accounts Direction 2014 to 2015 issued by 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.

GAG is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Donations

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

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.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

1. Statement of accounting policies (continued)

d) Resources expended

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 charged allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

These are costs incurred on the academy trust'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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

f) Depreciation

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	20%
Computer equipment and software	33%

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.

g) Stock

Stock consists of goods for resale and is valued at the lower of cost and net realisable value. Expenditure on teaching materials is written off immediately when incurred.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

1. Statement of accounting policies (continued)

h) 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 Education Funding Agency as at 31 August 2012.

i) 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.

j) 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.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

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

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

1. Statement of accounting policies (continued)

k) 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 governors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the donor and include grants from the Education Funding Agency.

l) Consolidation policy

The financial statements consolidate the results of the Academy and its subsidiary, Ashley School Trading Limited, on a line by line basis. A separate Statement of Financial Activities for the Academy itself is not presented as the charity has taken advantage of the exemption of Section 408 of the Companies Act 2006.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

2. VOLUNTARY INCOME

	Unrestricted	Restricted	Total	Total
	£	£	2015	2014
			£	£
Donations – revenue	12,573	-	12,573	1,380

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted	Restricted	Total	Total
	£	£	2015	2014
			£	£
Hire of facilities	22,336	-	22,336	74,542
Items sold	2,016	-	2,016	2,026
Income from services provided	107,437	-	107,437	17,755
Academy trips	10,492	-	10,492	12,219
Catering income	15,203	-	15,203	14,490
Fundraising	-	-	-	270
Activities week income	1,521	-	1,521	1,272
	159,005	-	159,005	122,574

4. INVESTMENT INCOME

	Unrestricted	Restricted	Total	Total
	£	£	2015	2014
			£	£
Bank Interest	4,390	-	4,390	1,121

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	Total 2015 £	Total 2014 £
DfE/EFA capital grants				
Capital Maintenance Fund	-	8,320	8,320	89,896
	-	8,320	8,320	89,896
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,475,408	1,475,408	1,412,228
High Needs Top Up Funding	-	995,102	995,102	1,285,292
Pupil Premium	-	89,457	89,457	75,137
	-	2,559,967	2,559,967	2,772,657
Other government grants				
Outreach Commissioned Service	-	75,000	75,000	75,000
PE Initiative Grant	-	8,170	8,170	8,180
Year 7 Catch Up Grant	-	8,500	8,500	-
Apprenticeship Grant	-	-	-	1,700
	-	91,670	91,670	84,880
	-	2,659,957	2,659,957	2,947,433

ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

6. RESOURCES EXPENDED

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations (note 7)					
• Direct costs	1,556,980	-	251,560	1,808,540	1,680,557
• Allocated support costs	358,392	203,798	259,830	822,020	677,855
• Other expenditure	-	-	-	-	758
	<u>1,915,372</u>	<u>203,798</u>	<u>511,390</u>	<u>2,630,560</u>	<u>2,359,170</u>
Governance costs including allocated support costs (note 8)	-	-	14,205	14,205	12,155
	<u>1,915,372</u>	<u>203,798</u>	<u>525,595</u>	<u>2,644,765</u>	<u>2,371,325</u>

Incoming resources for the year include:

	2015 £	2014 £
Fees payable to auditor:		
Depreciation of owned assets	42,124	15,797
Depreciation of leased assets	37,324	40,198
Fees payable to auditor:		
Audit of financial statements – Academy	9,090	6,075
Audit of financial statements – Trading company	2,131	3,605
Other services	<u>655</u>	<u>2,045</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

7. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	Total 2015 £	Total 2014 £
Direct Costs				
Teaching and educational support staff costs	17,191	1,364,210	1,381,401	1,345,005
Residential care staff costs	-	156,174	156,174	144,664
Agency teaching staff	-	19,405	19,405	23,580
Direct costs depreciation	-	79,448	79,448	50,442
Educational supplies	-	65,989	65,989	42,353
Examination fees	-	7,612	7,612	8,206
Staff development	602	34,823	35,425	22,162
Educational consultancy	-	33,993	33,993	5,522
Pupil transport	-	7,714	7,714	2,655
Special facilities	-	7,294	7,294	6,011
Educational visits	-	8,894	8,894	14,421
Other direct costs	-	5,191	5,191	15,536
	17,793	1,790,747	1,808,540	1,680,557
Allocated support costs				
Support staff costs	39,690	318,702	358,392	204,217
Pupil recruitment and support	-	10,774	10,774	10,583
Maintenance of premises and equipment	4,881	89,123	94,004	115,680
Cleaning	2,201	34,872	37,073	44,227
Rent, rates and water	638	3,546	4,184	5,713
Insurance	5,922	34,510	40,432	38,849
Travel and subsistence	504	13,204	13,708	10,884
Catering	-	105,254	105,254	95,250
Bank interest and charges	62	77	139	64
Heat and light	1,129	67,408	68,537	69,891
Technology	-	30,419	30,419	31,876
Supplies, printing and telephone	3,258	27,563	30,821	16,709
Allocated support costs - depreciation	-	-	-	5,553
Other support costs	3,544	(1,084)	2,460	2,513
Professional fees – non governance	-	25,823	25,823	25,847
	61,829	760,191	822,020	677,856
Other Expenditure				
Other non-GAG expenditure	-	-	-	757
Total charitable activities	79,622	2,550,938	2,630,560	2,359,170

8. GOVERNANCE COSTS

	Unrestricted £	Restricted £	Total 2015 £	Total 2014 £
Legal and professional fees	1,579	750	2,329	430
Auditor's remuneration				
- Audit of financial statements – current year	2,910	6,890	9,800	9,680
- Audit of financial statements – prior year	(779)	2,200	1,421	-
- Other audit costs	-	655	655	2,045
	3,710	10,495	14,205	12,155

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

10. STAFF

a. Staff costs	2015	2014
	£	£
Staff costs during the period were:		
Wages and salaries	1,518,565	1,386,279
Social security costs	98,599	88,819
Other Pension costs	270,881	214,496
	<u>1,888,045</u>	<u>1,689,594</u>
Indirect Employee Expenses	7,922	4,292
Supply staff costs	<u>19,405</u>	<u>23,580</u>
	<u>1,915,372</u>	<u>1,717,466</u>

b. Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2015 expressed as full time equivalents was as follows:

	2015	2014
	£	£
Charitable Activities		
Teachers	16	15
Administration and support	38	35
Management	<u>4</u>	<u>4</u>
	<u>58</u>	<u>54</u>

The number of employees whose emoluments exceeded £60,000 was:

Emolument amount	2015	2014
	£	£
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff members amounted to £20,977 (2014: £11,838).

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

11. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment, and not in respect of their services as governors. The value of governors' remuneration and other benefits was as follows:

Ms S J Garrett (Principal and Governor)	
Remuneration £85,000 - £90,000 (2014: £80,000 - £85,000)	
Employers pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)	
Mrs M Trowbridge (Staff Governor)	
Remuneration £20,000 - £25,000 (2014: £20,000 - £25,000)	
Employers pension contributions £nil (2014: £nil)	
Mrs L Burton (Staff Governor)	
Remuneration £40,000 - £45,000 (2014: n/a as appointed 10 December 2014)	
Employer pension contributions £5,000 - £10,000 (2014: n/a as appointed 10 December 2014)	
Miss A Howlett (Community Governor (2014: Staff Governor))	
Remuneration £5,000 - £10,000 (2014: £35,000 - £40,000)	
Employer pension contributions £nil (2014: £5,000 - £10,000)	

Other related party transactions involving the Governors are set out in note 27.

During the year ended 31 August 2015, travel and subsistence expenses totalling £371 (2014: £Nil) were reimbursed to Governors.

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 2015 was £609 (2014: £556). The cost of this insurance is included in the total insurance cost.

13. INCOME FROM TRADING SUBSIDIARY

Ashley School Trading Limited t/as Oulton Broad Water Sports Centre is a subsidiary of the Academy consolidated on the basis of common control. The subsidiary was incorporated in September 2012 and commenced operation in December 2012.

The principal activity of Ashley School Trading Limited during the period was to provide water sports and activities to schools/colleges and the wider community.

A summary of the trading results for the period ended 31 August 2015 is shown below:

	2015	2014
	£	£
Turnover	87,971	89,697
Administrative expenses	(89,907)	(98,596)
Profit on ordinary activities before taxation	(1,936)	(8,899)
Net profit for the period	(1,936)	(8,899)
Net assets as at 31 August 2015	(10,835)	(8,899)

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

14. TANGIBLE FIXED ASSETS (GROUP AND ACADEMY)

	Leasehold land & buildings £	Furniture & equipment £	Computer equipment & software £	Total 2015 £
Cost				
Cost as at 1 September 2014	2,088,877	61,743	75,481	2,226,101
Additions	53,148	17,999	110,594	181,741
Cost as at 31 August 2015	2,142,025	79,742	186,075	2,407,842
Depreciation				
Charge as at 1 September 2014	106,989	22,004	15,006	143,999
Charged in year	42,124	13,304	24,020	79,448
Charge as at 31 August 2015	149,113	35,308	39,026	222,447
Net book values at 31 August 2015	1,992,912	44,434	147,049	2,184,395
Net book values at 1 September 2014	1,981,888	39,739	60,475	2,082,102

All assets are used for educational purposes.

No assets are held by the subsidiary trading company.

The Leasehold Land and Buildings are included at a valuation as at 31 August 2012 by DTZ on behalf of the Education Funding Agency. Of the cost value of £2,142,025, £244,011 relates to land and £1,898,014 to buildings.

The trust's transactions relating to Land and Buildings included the cost of leasehold improvements which were completed by the trust at a value of £53,148.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

15. DEBTORS

	2015		2014	
	Group	Academy	Group	Academy
	£	£	£	£
Trade debtors	4,874	6,386	34,302	38,191
Amounts owed by subsidiary undertakings	-	7,743	-	7,743
Prepayments and accrued income	21,220	13,017	21,749	15,169
VAT recoverable	35,510	35,492	29,152	29,152
	<u>61,604</u>	<u>62,638</u>	<u>85,203</u>	<u>90,255</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015		2014	
	Group	Academy	Group	Academy
	£	£	£	£
Trade creditors	61,768	63,333	55,750	53,889
Accruals and deferred income	155,651	96,238	140,970	52,333
	<u>217,419</u>	<u>159,571</u>	<u>196,720</u>	<u>106,222</u>

Deferred income

Deferred income at 1 September 2014	84,950	950	458,330	349,330
Resources deferred in the year	-	-	950	950
Amounts released from previous year	(29,450)	(950)	(374,330)	(349,330)
Deferred income at 31 August 2015	<u>55,500</u>	<u>-</u>	<u>84,950</u>	<u>950</u>

Deferred income represents government funding of £84,000 received in the year ended 31 August 2013 which relates to the years ending 31 August 2014, 31 August 2015 and 31 August 2016. £55,500 of this funding is being carried forward to 31 August 2016.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

17. FUNDS

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Transfers and gains £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	700,797	1,475,408	(1,300,500)	(174,909)	700,796
Other DfE/EFA Grants	74,294	1,084,559	(1,079,815)	-	79,038
Other Restricted funds	146,724	91,670	(91,670)	-	146,724
	<u>921,815</u>	<u>2,651,637</u>	<u>(2,471,985)</u>	<u>(174,909)</u>	<u>926,558</u>
Restricted Pension Fund					
Pension Reserve	(630,000)	-	-	2,000	(628,000)
Restricted Fixed Asset Funds					
DfE/EFA Capital Grants	389,519	8,320	(14,670)	-	383,169
Capital expenditure from GAG	256,000	-	(31,939)	181,483	405,544
Donated assets	1,428,521	-	(32,839)	-	1,395,682
	<u>2,074,040</u>	<u>8,320</u>	<u>(79,448)</u>	<u>181,473</u>	<u>2,184,395</u>
Total restricted funds	<u>2,365,855</u>	<u>2,659,957</u>	<u>(2,551,433)</u>	<u>8,574</u>	<u>2,482,953</u>
Unrestricted funds					
General fund	326,505	87,997	-	-	414,502
Ashley School Trading Limited	(1,156)	87,971	(83,332)	(6,574)	(3,091)
Total unrestricted funds	<u>325,349</u>	<u>175,968</u>	<u>(83,332)</u>	<u>(6,574)</u>	<u>411,411</u>
Total funds	<u>2,691,204</u>	<u>2,835,925</u>	<u>(2,634,765)</u>	<u>2,000</u>	<u>2,894,364</u>

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2014.

Other DfE/EFA Grants: Pupil Premium funds received from the EFA for the provision of education.

Other Restricted Funds: funds received for specific revenue projects and activities undertaken by the Academy.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds	Restricted general funds	Pension Liability	Restricted fixed asset funds	Total funds 2015	Total funds 2014
	£	£	£	£	£	£
Tangible fixed assets	-	-	-	2,184,395	2,184,395	2,082,102
Current assets	411,411	926,558	-	-	1,337,969	1,239,102
Pension scheme liability	-	-	(628,000)	-	(628,000)	(630,000)
Total net assets	411,411	926,558	(628,000)	2,184,394	2,894,364	2,691,204

19. CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted for, but not provided in the financial statements		
Furniture and Equipment	<u>5,316</u>	<u>-</u>

20. FINANCIAL COMMITMENTS

The Academy trust holds a long term lease of 125 years for the Land and Buildings owned by Suffolk County Council for nil consideration.

Ashley School Trading Limited occupies land and buildings owned by Waveney District Council under a lease assigned by Suffolk County Council which expires in 2028.

21. RECONCILIATION OF NET INCOME TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015		2014	
	Group £	Academy £	Group £	Academy £
Net income	191,160	193,096	701,183	710,082
Depreciation	79,448	79,448	55,993	55,993
Capital grants from DfE and other capital income	(8,320)	(8,320)	(89,896)	(89,896)
Interest Receivable	(4,390)	(4,390)	(1,121)	(1,119)
FRS17 pension cost less contributions payable	2,000	2,000	(13,000)	(13,000)
FRS17 pension finance income	8,000	8,000	6,000	6,000
(Increase) in stock	(3,170)	(3,170)	(3,604)	(3,604)
Decrease in debtors	23,599	27,617	57,552	53,151
Increase/(decrease) in creditors	20,699	53,349	(353,754)	(335,202)
Net cash provided by operating activities	309,026	347,630	359,353	382,405

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

22. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015		2014	
	Group £	Academy £	Group £	Academy £
Interest received	4,390	4,390	1,121	1,119
Net cash inflow from returns on investment and servicing of finance	4,390	4,390	1,121	1,119

23. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015		2014	
	Group £	Academy £	Group £	Academy £
Purchase of tangible fixed assets	(181,741)	(181,741)	(180,027)	(182,027)
Capital grants from DfE/EFA	8,320	8,320	89,896	89,896
Net cash outflow from capital expenditure and financial investment	(173,421)	(173,421)	(92,131)	(92,131)

24. ANALYSIS OF CHANGES IN NET FUNDS

Group:

	At 1 September 2014 £	Cash flows £	At 31 August 2015
Cash in hand and at bank	1,347,015	139,995	1,487,010

Academy:

	At 1 September 2014 £	Cash flows £	At 31 August 2015
Cash in hand and at bank	1,260,364	178,599	1,438,963

25. 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.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

26. PENSION 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 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuation 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 (currently 14.1%);
- 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 of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £103,439 (2014: £96,482).

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

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £176,000 (2014: £136,000), of which employer's contributions totalled £144,000 (2014: £110,000) and employees' contributions totalled £32,000 (2014: £26,000). The agreed future rates for future years are between 5.5% and 12.5% for employees and 25.5% for employers.

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.

Principal Actuarial Assumptions

	2015 %	2014 % P.A.
Pension increase rate	2.7	2.7
Salary increase rate	4.6	4.5
Expected return on assets	3.8	5.5
Discount rate	3.8	3.7

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25% p.a. The average life expectancies at age 65 are summarised below:

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

	2015 Years	2014 Years
<i>Current pensioners</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Future pensioners</i>		
Males	24.3	24.3
Females	26.9	26.9

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.8	675,000	8.4	561,000
Bonds	3.8	212,000	3.4	173,000
Property	3.8	111,000	4.5	82,000
Cash	3.8	10,000	3.3	8,000
Total market value of assets		1,008,000		824,000
Present value of scheme liabilities – funded		(1,636,000)		(1,454,000)
Deficit in the scheme		(628,000)		(630,000)

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The actual return on the scheme assets for the year was £35,000 (2014: gain £11,000)

Amounts recognised in the Statement of Financial Activities	2015 £	2014 £
Current service cost (net of employee contributions)	146,000	97,000
Total operating charge	146,000	97,000
Analysis of pension finance income / (costs)		
Expected return on scheme assets	49,000	42,000
Interest on pension liabilities	(57,000)	(36,000)
Pension finance costs	(8,000)	6,000

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 loss of £346,000 (2014: £358,000 loss)

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

	2015 £	2014 £
At 1 September 2014	1,454,000	997,000
Current service cost	146,000	97,000
Interest cost	57,000	48,000
Contributions by scheme participants	32,000	26,000
Actuarial (gains)/losses	(26,000)	304,000
Estimated benefits paid	(27,000)	(18,000)
At 31 August 2015	1,636,000	1,454,000

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

	2015 £	2014 £
At 1 September 2014	824,000	653,000
Expected return on scheme assets	49,000	42,000
Contributions by employer	144,000	110,000
Contributions by scheme participants	32,000	26,000
Actuarial (losses)/gains	(14,000)	11,000
Estimated benefits paid	(27,000)	(18,000)
At 31 August 2015	1,008,000	824,000

The estimated value of employer contributions for the year ended 31 August 2016 is £155,000 (2015: £122,000).

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2015

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The four year history of experience adjustments is as follows:

	2015	2014	2013	2012
	£	£	£	£
Present Value of defined benefit obligations	(1,636,000)	(1,454,000)	(997,000)	(839,000)
Fair Value of share of scheme assets	1,008,000	824,000	653,000	472,000
Deficit in Scheme	(628,000)	(630,000)	(344,000)	(367,000)
	2015	2014	2013	2012
	£	£	£	£
Experience gains/(losses) on assets	(14,000)	11,000	46,000	3,000
Experience gains/(losses) on liabilities	26,000	(304,000)	(26,000)	(88,000)

27. 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.

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

28. RESULTS OF THE ASHLEY SCHOOL ACADEMY TRUST

Net incoming resources of £205,096 have been recognised in the accounts of the Trust. The Trust is not required to produce its own Statement of Financial Activities having taken advantage of the exemption provision in Section 408 of the Companies Act 2006.

The Ashley School Academy Trust Current Staffing Structure (September 2015)

