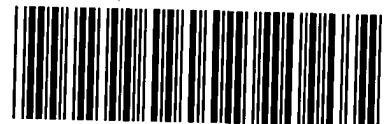


ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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ASH FIELD ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms Kathy Inskip Mr Allan Dunsmore Miss Jennifer Bone
Trustees	Ms Kathy Inskip, Chair of Trustees Mr Allan Dunsmore, Vice Chair Miss Jennifer Bone, Principal Mr Barry Moore, Trustee Mr Rupert Mingay, Trustee Mrs Sue Orme, Trustee Mr Barney Thorne, Trustee (resigned 10 September 2018) Mr Christopher Fryer, Trustee Mr Jason Swaine, Trustee (resigned 29 October 2019) Mr Mark Smith, Trustee (appointed 7 June 2019) Mrs Penny Allsopp, Trustee (appointed 1 March 2019)
Company registered number	07988444
Company name	Ash Field Academy Trust
Principal and registered office	Broad Avenue Leicester Leicestershire LE5 4PY
Company secretary	Miss Julie Aquilina
Senior management team	Miss Jenny Bone, Principal Mrs Rhian Richardson, Deputy Principal (ended 5 January 2019) Mrs Elizabeth Pilmore, Deputy Principal (started 6 January 2019) Mrs Helen Jarvis, Vice Principal Mrs Elizabeth Pilmore, Vice Principal (ended 5 January 2019) Mrs Caroline Lindsay, Vice Principal Mrs Jessica Renner, Vice Principal Mrs Ellen Croft, Vice Principal and Director of Teaching School (started 6 January 2019)
Independent auditors	Duncan and Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ

ASH FIELD ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers	Co-operative Bank 77 Market Place Leicester LE1 5EN
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates as an Academy for pupils aged 4 to 19 serving a catchment area in Leicester, Leicestershire, Rutland and Northamptonshire. It has a pupil capacity of 160 and had a roll of 159 on the school census on 18 January 2019.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of Ash Field Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Ash Field Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

As required by the Companies Act 2006 s236, Ash Field Academy Trust has qualifying third party indemnity provisions of £2million with the Zurich Insurance Company.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

1. The members may appoint up to one trustee save that no more than one third of the total number of individuals appointed as trustees shall be employees of the academy trust (including the Principal).
2. The Local Authority (LA) may appoint the LA trustee in the first instance.
3. The Principal shall be treated for all purposes as an ex officio trustee.
4. The parent trustee(s) shall be elected by parents registered at the academy and must be a parent of a pupil at the academy at the time of the election.
5. The Governing Body shall make all necessary arrangements for, and determine all other matters in relation to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parental trustees which is contested shall be held by secret ballot.
6. The arrangements made for the election of a parent trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the academy trust by a registered pupil at the academy.
7. Where a vacancy for a parent trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.
8. The number of parent trustees required shall be made up by parent trustees appointed to the Governing Body if the number of parents standing for election is less than the number of vacancies.
9. In appointing a parent trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
10. The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of staff trustees.
11. The community trustees may be appointed by the Governing Body provided that the person who is appointed as a community trustee is:
 - (a) a person who lives or works in the community served by the academy; or
 - (b) a person who, in the opinion of the Governing Body, is committed to the government and success of the special academy.

Co-opted trustees

12. The trustees may appoint up to two co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if the number of trustees who are employed by the academy trust (including the Principal) would thereby exceed one third of the total number of trustees.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy, an opportunity to spend some time talking to the Principal and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally few new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The academy trust meets as a full board four times a year, the fourth being the Annual General Meeting. In addition there are many visits both formal and informal and electronic communications.

There is one standing committee which has delegated responsibilities for finance, personnel, health and safety and risk management. During 2018/19, this met three times.

The academy trust have now agreed a revised schedule of meetings. There will be six full board meetings, the sixth being the Annual General Meeting. There are four meetings of the Finance, Safety and General Purposes Committee. The Chair of Trustees will also meet with the Accounting Officer and the Chief Financial officer each month where there is not a meeting of the Finance, Safety and General Purposes Committee.

The demarcation of decision-making is that the day-to-day running of the school remains the preserve of the Principal. The strategic direction of the school is negotiated and requires the approval of the Board. The academy plan and the associated staff and other resources expenditure within it requires the approval of the trustees as does any expenditure above £10,000.

The Principal is the Accounting Officer.

The Academy Trust will perform an annual skills audit of Trustees. Should any gaps be identified, appropriate training would be considered and this information also supports Trustees when electing new governors.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

AS PER PART 3 IN ASH FIELD PAY AND CONDITIONS DOCUMENT

3.1 The Academy Board Trust will use its own pay scale as a guide. This in turn has used the national STPCD and the local support staff scales as a reference to set a minimum for salary determination and school group size.

3.2 All teachers are regarded as leaders and pay will reflect the corporate contribution and sustained high performance made through the outcomes achieved and the level of expertise, responsibility, attitude and care shown towards all pupils and adults working in and associated with the academy.

Annual determination of pay

3.3 The Academy Trust Board will seek to agree performance objectives relating to school leadership and management and pupil progress with the Principal. In default of agreement, the Academy Trust Board will set such performance objectives. In either case the Board will appraise the performance of the Principal, taking account of the performance objectives but making a judgement about their overall contribution.

3.4 The Academy Trust Board will determine the salary based on this appraisal and of recruitment and retention factors or any factors they think relevant.

3.5 The Academy Board Trust will review the pay range whenever they see fit and in response to such circumstances as increased pupil numbers or complexity of the role.

3.6 The Principal will make pay recommendations to the Academy Trust Board Committee with responsibility for pay in line with the Appraisal and Capability Policy i.e. following appraisal of objectives and overall performance of all teachers by the relevant appraisers.

3.7 The Academy Board Trust will make what decisions they see fit in respect of pay ranges and any movement up the scale having due regard to sustained and substantial performance as above, the relative levels of responsibility, recruitment, retention and affordability. Performance will be evaluated using a combination of judgements based on quality of teaching; pupil outcomes; leadership; support for the corporate ethos, morale and focus of all staff; appraisal objectives; interaction and relationships with pupils, colleagues, parents and other relevant adults; matching and exceeding professional conduct and standards; and quality of paperwork and meeting deadlines.

The Board will use its discretion in respect of temporary points awarded for the completion of particular tasks or roles.

3.8 The Board, notwithstanding the overarching consideration of paragraph 3.2 above, will also consider:

- If a teacher's duties include a significant responsibility that is not required of all classroom teachers;
- the focus on teaching and learning;
- the exercise of a teacher's professional skills and judgement;
- the requirement to the teacher to lead, manage and develop a subject or curriculum area;
- the requirement to lead and manage pupil development across the curriculum;
- the impact on the educational progress of pupils other than the teacher's assigned classes or groups of pupils;
- the quality and degree of leading, developing and enhancing the teaching practice of other staff;
- the quality and degree of working with parents and other agencies;
- if they have a line management responsibility for a significant number of people e.g. leading and managing their performance, capability and discipline;
- the nature of the work to be undertaken, including any work with teachers from other schools;
- the degree of challenge of the role;
- the professional competencies required of the teacher;
- any care or medical responsibilities; and

such other criteria as the Board considers appropriate including time-keeping; professional dress and appearance; goodwill; the quality of the upkeep of the classroom; the quality of work left for cover staff, including planning sufficiently well in advance for a supply teacher to follow a programme of work if absent through illness

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

(teachers may be contacted and asked to send information in if this planning is not readily available in school) and so forth

3.9 In the event of a restructuring or reassignment of responsibilities resulting in a lower level of responsibility for a member of staff, this would be confirmed in writing.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	1,740
Total pay bill	3,747,827
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The academy is a partner in the WELL Trust. This is a trust comprising of six other special schools in Leicester City.

Although the academy works closely with many partners, there are currently no other formal or legal organisations with other organisations.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

Ash Field Academy Trust's public charitable objects stated in its Articles of Association and the Funding Agreement and are specifically restricted to the following:

- i) 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 Special Academy); and
- ii) To promote for the benefit of individuals living in Leicester, Leicestershire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

b. Objectives, strategies and activities

For the purpose of meeting its objectives the academy has the following main areas of continuous activity:

Day academy: Ash Field Academy is a Special School catering for amazing, unique and inspirational children and young people. We have increased significantly in size in the last decade to 160 pupils ranging from age 4 to 19, all of whom have complex medical conditions and/or physical disabilities. These needs have become significantly more common and complex over the last 10 years leading to the need for an in-school health care team. In addition, pupils have a very wide range of learning, communication and sensory needs; we therefore have three specialist curriculum pathways to meet the needs of our pupils. Our pupils come from across the city, Leicestershire and even from other counties. These factors make our pupil population extremely diverse and this demands that everything we do is focused on the individual child, what they can do, what they might be able to do and how they can make progress as quickly as possible.

The key objectives as recorded in the School Improvement Plan for this year were as follows:

- to develop a highly effective behaviour policy, which will meet the needs of all pupils;
- to develop the Early Primary curriculum further to ensure it enables best outcomes for all pupils in EYFS and KS1;
- to moderate achievement and progress measures to ensure they are even more reliable and develop the reporting of these so that leaders, including trustees, are aware of the current picture and are able to drive improvement as a result;
- to support attendance of pupils so that it is as high as possible and ensure progress and outcomes of pupils is supported where pupils are unable to attend;
- to evaluate CPLD to ensure further training and development opportunities are focused and targeted effectively.

All of these objectives were met in line with the success criteria.

The academy's main strategy to carry out the objects is to provide education for pupils appropriate to their needs in a learning environment utilising the best possible teaching facilities and staff. The activities provided include:

- teaching and learning opportunities individualised for all pupils across three curriculum pathways;
- a programme of physical activities for all pupils as best meets the need of their physical disability;
- a curriculum focused on communication, social interaction, cognitive development, arts and enrichment;
- a programme of activities to prepare pupils for life after school, including a smooth transition to post 19 destinations and work-related learning;
- training opportunities for all staff.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

The impact has been positive and an externally validated review by Challenge Partners November 2018 graded the provision as Outstanding. Multiple Ofsted inspections have graded the provision to be Outstanding. The most recent being November 2017. The development of our Curriculum Pathways has gained national interest and have been adopted by a number of schools.

Residential academy: The provision of residential opportunities to pupils at the school at appropriate points in their school careers. There are 18 beds and extended day activities. It is usual for most pupils to have used the residential education, care and social provision by the time they leave.

The key objectives as recorded in the Residential Improvement Plan were as follows:

- develop supervisions so that they are effective for all staff;
- evaluate the allocation within the residential provision (and make any appropriate changes) so that we can be sure it is having the greatest impact on the greatest number;
- ensure safeguarding reviews with DSLs are even more effective and support managers in their role.

All of these objectives were met in line with the success criteria.

The main strategy to carry out the objects is to provide education for pupils appropriate to their needs in an informal learning environment utilising the best possible facilities and staff. The activities provided include:

- a curriculum focused on developing independence, emotional self-regulation and social skills;
- training opportunities for all staff;
- a rich and varied programme of leisure-based activities.

The impact has been positive and the annual Residential Ofsted March 2019 grade the provision as Outstanding.

Assistive Technology: Leicester City LA commissioned assessment of pupils in other schools, mostly mainstream, to enable their curriculum access through the use of technology. Following assessment, we install the equipment, train the staff and pupils and offer on-going advice and support. The key objective this year was to ensure we were able to meet pupils' AAT needs when requests were made by ensuring capacity within the school. This was achieved.

Teaching School: The academy provides training and placements for a range of professionals and pupils. Courses can range from half day 'top-ups' for Moving and Handling to regular input on accredited courses and as part of Initial Teacher Training. The key objective for the Teaching School this year was to support the Local Authority by taking a lead role in improving outcomes for SEND pupils in mainstream schools through leadership of the SEND SSIF round 2 project, following the success of round 1. The DfE have graded this as green with all targets being met and outcomes for Key Stage 4, and even more so for Key Stage 2, were much improved for pupils who were low attaining or have SEND. This SSIF project is now coming to a conclusion (once round 3 has been completed) and we are being consulted by the LA as they wish to continue the positive work that has been carried out.

c. Public benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' The public benefit is as described in 'Objectives and Activities' above.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Significant changes in 2018-2019

A new paediatric nurse joined us in May and we now have six health care assistants. This supports all of our pupils but particularly those who would otherwise be unable to attend the academy on a daily basis due to ill health often due to their complex medical needs. We are the only special school in Leicester City who has this staffing enhancement and this is viewed positively by parents of children at the school.

The refurbishment of the therapeutic pool was completed to ensure it meets increased safety standards and this has remained open to the pupils.

Leadership

The previous Principal retired at the end of the school year in August 2018 after fourteen years at Ash Field Academy. Jennifer Bone was employed as Principal from 23rd August 2018. The deputy head was seconded in January 2019 to lead a school that was graded inadequate by Ofsted and has since taken on the substantive headship there. This led to a new deputy head being appointed, as well as a new Director of Teaching School. Two Vice Principals (job share) were made permanent in June 2019 and a further (part time) Vice Principal returned from maternity leave in July 2019.

Achievements and Performance

Ofsted graded the provision of both the day and residential school as Outstanding in November 2017 and March 2019 respectively, in line with previous inspections.

Challenge Partners Review 2019 graded the school as Outstanding, in line with previous reviews.

Pupil progress in both the day and residential setting was considered to be excellent by both Ofsted and Challenge Partners reviews.

Ongoing rigorous self-evaluation and quality assurance has confirmed that the school remains Outstanding and the following improvements and developments have been made over the course of the year.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Improvement and Development

We strive for all pupils to make as much progress as they possibly can by offering them a personalised, relevant curriculum. We maintain this personalised focus when assessing pupil progress. This curriculum has been effectively developed over recent years. The wider leadership team, who oversee aspects of the curriculum, has been developed and they now fully support improvement and development work so that our curriculum, teaching, learning and assessment meets the needs of the pupils. Moderation of pupil progress has been developed further to ensure external providers are also moderating work; this has acknowledged the accuracy of teacher judgements. Further internal quality assurance work has also ensured that leaders are confident in the judgements and level of challenge by curriculum leaders. The achievement report has been adapted further to ensure it is as useful to school leaders as possible.

Developments to support positive behaviour has resulted in an effective policy and procedures, based on current research and thinking and appropriate to our pupils. This is an ongoing priority to ensure the policy and procedure are embedded in the daily practice throughout the school.

The Early Primary curriculum is now mixed ability and has resulted in staff having higher aspirations for pupils who may have presented or been reported to be less cognitively able when they arrived at school. Adaptations have been made to ensure this does not disadvantage the highest achieving pupils and progress for all groups is positive. The introduction of the Curiosity Approach has been so successful that it is now being introduced to other parts of the school, particularly in the use of everyday items.

The management of pupil attendance has been fully reviewed and new systems for monitoring put in place supported by individualised targets. This is ensuring appropriate actions are put in place to support both pupils and their families in raising attendance where possible. For some pupils, higher attendance levels are not possible due to their complex health needs and the introduction of an Education Outreach Coordinator has supported the progress of these pupils as well as supporting families' and pupils' well-being.

Keeping Children Safe

Our procedures for keeping children safe and protecting them from harm are robust and effective. There were no serious accidents or incidents over the year and our procedures were strengthened as a result of staff training, ongoing monitoring of staff understanding, the use of an effective online monitoring system, weekly supervisions with phase leaders and the further development of DSL reviews. The recruitment of a health and safety coordinator has further supported the safeguarding of pupils.

Teaching School

Teaching School work has continued to be successful in raising the attainment of pupils in other schools, in particular this year through the SSIF project (round 2). A new Director of the Teaching School is driving school improvement further and has set up a steering group as well as being part of peer evaluation to support this further.

A dedicated improvement plan is written for the Teaching School to ensure continued effective improvement and development.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

External:

- Residential Ofsted Inspection (March 2019): Outstanding
- Challenge Partners Review (November 2019): Outstanding
- Sports Mark – Gold (2019)
- Arts Mark – Gold (2019)
- Leicester City Council Health and Safety Audit (2018)
- Leicester City Council Pool Audit (2018)
- Leicester City Council Safeguarding Audit (2019)
- Leicester City Council Single Central Record Audit (2019)
- DfE SSIF review graded as green (2019)

Internal:

- Principal's report to Board of Trustees
- Finance and Resources report

The above comprehensive reports form the basis for ongoing strategic discussions with the Principal as Accounting Officer and the Finance Committee / Board of Trustees, together with supporting documentation.

b. Going concern

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

Financial review

The majority of the academy's annual income is obtained from the DfE and Local Authorities in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2019 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2019, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £5,807,363. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £5,556,995 and transfers out to the restricted fixed asset fund of £95,007, to give a surplus of income over expenditure on revenue funding totalling £155,361. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds reported at the previous year end.

At 31 August 2019 the Local Government pension scheme deficit was £4,509,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

The amount that can only be realised by disposing of tangible fixed assets is £7,538,051.

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

a. Reserves policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of restricted funds and unrestricted funds, within reserves should be equivalent to at least three months' expenditure, which is approximately £1,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's level of free revenue reserves for 2018-2019 is £1,603,360 comprising unrestricted funds of £668,456 and restricted general funds of £934,904 (excluding the pension reserve of £4,509,000).

At the end of the prior financial period (year ended 31 August 2018) the academy had free reserves (restricted general funds excluding pension reserves plus unrestricted funds) of £1,447,999.

b. Investment policy

There are no investments other than bank deposits held.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

Below are some of the major issues and risks that could face the academy:

- New demands on professional development, skills and knowledge, ranging from new pedagogies to medical intervention
- More demand on emotional resilience with a high prevalence of progressive conditions
- Staff who are primarily employed to aid teaching spending more time on personal care and medical support
- More demand on space, equipment and staffing levels
- Improving as a school whilst attainment standards decline
- Special schools are full
- The increased funding needs of children who are more medically complex
- The new Ofsted Framework and a view from Ofsted that too many special schools nationally are judged as 'outstanding'
- The principal financial risks are a potential reduction in pupil numbers; reduction in central government funding; unexpected increase in teaching or support staff costs; or unexpected major capital repairs

In addition:

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school visits) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

Based on the strategic plan, the Finance, Facilities and General Purpose Committee in its role as the Risk Management Committee undertakes a review of the risks to which the academy is exposed. The Committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Risk Management Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

A risk register, covering low, medium and high level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The principal risk factors are listed under 'Risk Management' above. Not all factors, however, are within the

ASH FIELD ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

academy's control and other factors besides those listed may also adversely affect the academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education & Skills Funding Agency (ESFA) and the Local Authority.

The risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- The academy's funding is based on a pupil banding system which ensure more funding for more complex needs
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of the Academy Accounts Direction.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- Ensuring the academy delivers high quality, personalised education and training;
- Maintaining outstanding success rates and good inspection outcomes; and
- Investing in its teaching staff and resources

With ongoing commitment to quality, the academy now provides market-leading learning environments with state of the art technology and specialist resources.

This places the academy in an excellent position to attract new pupils.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Academy supports charities and staff and pupils are involved in raising funds by organising events such as Children In Need and Sports Relief. All contributions given on a purely voluntary basis with no minimum amount being set or expected.

During the year ending 31 August 2019 the following charities have benefitted from the fundraising activities of the Academy:

Children In Need - £730
Comic Relief - £279
Save the Children - £119

As an Academy we do not use professional fundraisers or any commercial participators to fundraise on our behalf.

During the year we received no fundraising complaints from the public, nor did we receive any unreasonably intrusive or persistent fundraising approaches, nor undue pressure to donate.

Plans for future periods

In summary the key elements are:

- Main school refurbishment
- Create changes in learning spaces for pupils with highly complex needs
- Implementation of the school improvement plan
- Implementation of the residential improvement plan
- Implementation of the Teaching School improvement plan
- Ensure all staff consistently follow new strategies to ensure positive behaviour
- Develop the curriculum for the highest achieving pupils
- Ensure challenge for all pupils
- Develop teaching and learning of life skills across the school
- Ensure the well-being of staff
- Ensure the most appropriate provision is in place for both special school and mainstream schools through the teaching school offer
- Develop residential provision to ensure a bespoke offer for all pupils on all pathways
- Develop care plans to be as effective as possible, particularly for new staff
- Ensure progress is even more effectively evidenced and reported

Funds held as custodian on behalf of others

There are no such funds.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

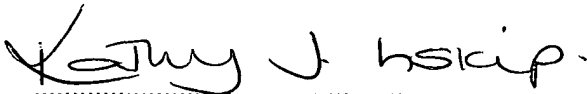
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 6 December 2019 and signed on its behalf by:



.....
Ms Kathy Inskip
Chair of Trustees

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Ash Field 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 board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ash Field Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 3 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Kathy Inskip, Chair of Trustees	3	3
Mr Allan Dunsmore, Vice Chair	3	3
Miss Jennifer Bone, Principal	3	3
Mr Barry Moore, Trustee	3	3
Mr Rupert Mingay, Trustee	2	3
Mrs Sue Orme, Trustee	2	3
Mr Barney Thorne, Trustee	0	0
Mr Christopher Fryer, Trustee	3	3
Mr Jason Swaine, Trustee	3	3
Mr Mark Smith, Trustee	0	0
Mrs Penny Allsopp, Trustee	2	2

The Board only met three times with the full governing body. The finance committee members attended six meetings in the year. The information from the finance committee was sent to the full governing board in advance of the Full Board meetings and trustees were given the opportunity to question and challenge the information. However, the Board decided that we should move to increasing the number of meetings and this will ensure a more robust oversight of funds in line with the Academies Financial Handbook.

In order to strength our governance and effective financial management further, the Board of Trustees have taken the decision to increase the number of meetings in line with the requirements of the Academies Financial Handbook. The meetings for 2019/20 which includes the AGM, five further Board of Trustees meetings, four Finance, Safety and General Purposes Committee meetings and further monthly meetings between the Chair of Trustees, Accounting Officer and Chief Financial Officer except when the Finance Committee meeting takes place.

Mr Barney Thorne resigned from the board of Trustees as a parent governor.

Mr Jason Swaine resigned from the board of Trustees as a staff governor. A new staff governor has been elected.

Mr Mark Smith joined the board as a community governor but has been unable to attend.

Mrs Penny Allsopp joined the board of Trustees as a parent governor.

The number of posts of each type of Trustee has remained the same.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The board is now working to actively recruit new governors.

An annual Trustees' skills audit was undertaken in December 2018. The analysis supports the Trustees in recruiting a balanced skills mix. A further skills audit is currently being undertaken in December 2019. Governance forms a part of the audit reports completed by our external auditors. Trustees have requested that auditors provide a further compliance review in line with the Academies Financial Handbook and this has been agreed for early 2020. This will assist Trustees to make decisions about future external review of governance.

Trustees carry out a number of additional roles, including the following:

- links to each of the school improvement areas
- statutory link roles, for example, safeguarding, careers
- link roles to the Teaching School and Residential

This coverage of work ensures regular monitoring visits in addition to attendance at meetings, as detailed above.

Trustees undertake training, either via attendance on external courses or as a board, for example Safeguarding training delivered in June 2019 by Leicester City Council.

The key challenge facing the Academy Trust was finding schools with a similar enough pupil population to benchmark against.

The Board of Trustees has used data from a range of sources, both internal and external, which provides a comprehensive and detailed understanding of the position of the Academy, allowing Trustees to challenge and hold school leaders to account.

This includes the following:

External

H&S audit
Pool audit
Challenge Partners
Ofsted – Resi

Internal

Parent questionnaire analysis
School Improvement Plan Impact Report
School Evaluation Form
Principal report- qualitative and quantitative data
Residential manager annual report
TS director overview report
LAC annual report
Pupil Premium annual report
Achievement report

The Finance Committee is a sub-committee of the main board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms Kathy Inskip, Chair of Trustees	3	3
Mr Allan Dunsmore, Vice Chair	2	3
Miss Jennifer Bone, Principal	3	3
Mr Barry Moore, Trustee	2	3

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy 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 Academy'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 appropriate. The accounting officer for the Academy has delivered improved value for money during the year by ensuring the following:

- the school nurse was recruited at a level where she will be able to train other staff; thereby reducing costs of training courses for staff;
- agency cover costs have been reviewed and cover supervisors, who know the pupils' needs better, were employed to reduce this cost as well as providing a better service;
- a successful CIF bid was made to replace windows and roofs, which has meant a reduced cost to the school as this was necessary work and will also ensure greater energy efficiency;
- we ensure that we provide the appropriate financial provision to maintain the high standards of equipment, decoration and maintenance so that our pupils continue to benefit from the positive education environment that we have created.

Further review was carried out as a new Principal with the Business Manager and will form part of evaluative work with the Trustees over the course of 2019/20 in order to ensure best value for money.

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 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 Ash Field Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance, Audit and Premises 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 board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Duncan and Toplis Limited, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a quarterly basis, the external auditors report to the board of Trustees through the Finance, Audit and Premises committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

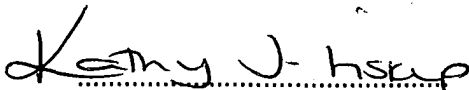
- the work of the external auditors;
 - the financial management and governance self-assessment process;
 - the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the Responsible Officer

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 6 December 2019 and signed on their behalf by:



Ms Kathy Inskip
Chair of Trustees



Miss Jennifer Bone
Accounting Officer

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ash Field Academy Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Miss Jennifer Bone
Accounting Officer
Date: 6 December 2019

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

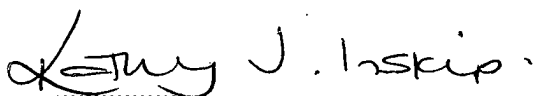
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 6 December 2019 and signed on its behalf by:



.....
Ms Kathy Inskip
Chair of Trustees

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASH
FIELD ACADEMY TRUST**

Opinion

We have audited the financial statements of Ash Field Academy Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASH
FIELD ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASH
FIELD ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

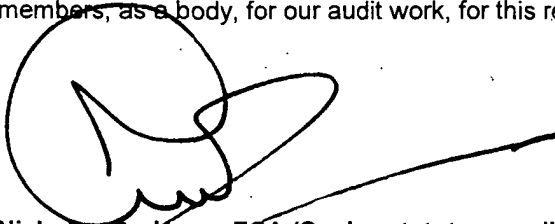
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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



Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of
Duncan and Toplis Limited

Chartered Accountants and Statutory Auditors
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

6 December 2019

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASH FIELD
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ash Field Academy Trust during the year 1 September 2018 to 31 August 2019 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 Ash Field Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ash Field Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ash Field Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ash Field Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ash Field Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASH FIELD
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

A handwritten signature in black ink, consisting of a large, stylized 'N' followed by a series of loops and a long horizontal stroke ending in an arrowhead.

Nicholas Cudmore FCA

Duncan and Toplis Limited

Date: 6 December 2019

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	4,688	603,225	607,913	22,677
Charitable activities:						
Funding for the Academy's educational operations		-	5,540,272	-	5,540,272	5,483,933
Teaching schools		-	40,000	-	40,000	40,000
Other trading activities		219,757	2,610	-	222,367	96,958
Investments	6	36	-	-	36	15
Total income		219,793	5,587,570	603,225	6,410,588	5,643,583
Expenditure on:						
Charitable activities:						
Academy trust educational operations		92,329	5,865,666	240,552	6,198,547	5,596,245
Teaching schools		-	40,000	-	40,000	22,240
Total expenditure		92,329	5,905,666	240,552	6,238,547	5,618,485
Net income/(expenditure)		127,464	(318,096)	362,673	172,041	25,098
Transfers between funds	16	-	(95,007)	95,007	-	-
Net movement in funds before other recognised gains/(losses)		127,464	(413,103)	457,680	172,041	25,098
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(1,500,000)	-	(1,500,000)	916,000
Net movement in funds		127,464	(1,913,103)	457,680	(1,327,959)	941,098
Reconciliation of funds:						

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Total funds brought forward		540,992	(1,660,993)	7,137,468	6,017,467	5,076,369
Net movement in funds		127,464	(1,913,103)	457,680	(1,327,959)	941,098
Total funds carried forward		668,456	(3,574,096)	7,595,148	4,689,508	6,017,467

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07988444

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	13		7,538,051		7,128,540
			<u>7,538,051</u>		<u>7,128,540</u>
Current assets					
Debtors	14	407,847		104,396	
Cash at bank and in hand		1,893,367		1,577,357	
			<u>2,301,214</u>	<u>1,681,753</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(640,757)		(224,826)	
			<u>1,660,457</u>		<u>1,456,927</u>
Net current assets					
			<u>9,198,508</u>		<u>8,585,467</u>
Total assets less current liabilities					
			<u>9,198,508</u>		<u>8,585,467</u>
Net assets excluding pension liability					
Defined benefit pension scheme liability	23	(4,509,000)		(2,568,000)	
			<u>4,689,508</u>		<u>6,017,467</u>
Total net assets					
			<u>4,689,508</u>		<u>6,017,467</u>
Funds of the Academy					
Restricted funds:					
Fixed asset funds	16	7,595,148		7,137,468	
Restricted income funds	16	934,904		907,007	
			<u>8,530,052</u>	<u>8,044,475</u>	
Restricted funds excluding pension liability	16				
Pension reserve	16	(4,509,000)		(2,568,000)	
			<u>4,021,052</u>		<u>5,476,475</u>
Total restricted funds					
Unrestricted income funds	16		668,456		540,992
			<u>4,689,508</u>		<u>6,017,467</u>
Total funds					
			<u>4,689,508</u>		<u>6,017,467</u>

The financial statements on pages 30 to 61 were approved by the Trustees, and authorised for issue on 06 December 2019 and are signed on their behalf, by:

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

A handwritten signature in black ink, appearing to read 'Kathy Inskip', with a stylized, cursive script.

Ms Kathy Inskip
Chair of Trustees

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	939,678	441,527
Cash flows from investing activities	19	(623,668)	(144,715)
Change in cash and cash equivalents in the year		316,010	296,812
Cash and cash equivalents at the beginning of the year		1,577,357	1,280,545
Cash and cash equivalents at the end of the year	20	<u>1,893,367</u>	<u>1,577,357</u>

ASH FIELD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ash Field Academy Trust meets the definition of a public benefit entity under FRS 102. The academy is a private company limited by guarantee, registered in England and Wales. The registered office address can be found on the Reference and Administrative Details page. The principal activity of the company can be found on the Trustees' report.

1.2 Going concern

The Trustees 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

ASH FIELD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 20% straight line

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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ASH FIELD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.8 Liabilities

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

1.9 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16 - 19 bursary funds from ESFA. The trust can use an element of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 funder/donor and include grants from the Department for Education Group.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	-	4,688	-	4,688
Capital Grants	-	-	603,225	603,225
	<u>-</u>	<u>4,688</u>	<u>603,225</u>	<u>607,913</u>

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	13,749	-	13,749
Capital Grants	-	8,928	8,928
	<u>13,749</u>	<u>8,928</u>	<u>22,677</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy's funding for the academy trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,634,140	1,634,140	1,553,548
Pupil Premium	80,436	80,436	75,724
Other DfE/ESFA Revenue grants	95,699	95,699	72,944
	<u>1,810,275</u>	<u>1,810,275</u>	<u>1,702,216</u>
Other government grants			
SEN 1-1 Funding	3,681,028	3,681,028	3,528,305
Other Local Authority revenue grants	48,969	48,969	251,462
	<u>3,729,997</u>	<u>3,729,997</u>	<u>3,779,767</u>
Other funding			
Other income revenue	-	-	1,950
	<u><u>5,540,272</u></u>	<u><u>5,540,272</u></u>	<u><u>5,483,933</u></u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Catering income	-	11,231	11,231
Receipts from staff insurance claims	-	(8,621)	(8,621)
Other income - facilities and services	219,757	-	219,757
	<u>219,757</u>	<u>2,610</u>	<u>222,367</u>

Receipts from staff insurance claims is in a debit position as a prior year expected payout is no longer receivable.

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**NOTES TO THE FINANCIAL STATEMENTS
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	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Catering income	9,433	-	9,433
Receipts from staff insurance claims	-	38,604	38,604
Other income - facilities and services	48,921	-	48,921
	<u>58,354</u>	<u>38,604</u>	<u>96,958</u>

6. Investment income

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Bank account interest	36	36	15
	<u>36</u>	<u>36</u>	<u>15</u>

7. Expenditure

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Funding for the academy trust's educational operations:				
Direct costs	4,041,872	144,993	607,517	4,794,382
Allocated support costs	416,483	415,694	571,988	1,404,165
Teaching school	40,000	-	-	40,000
	<u>4,498,355</u>	<u>560,687</u>	<u>1,179,505</u>	<u>6,238,547</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Funding for the academy trust's educational operations:				
Direct costs	3,699,224	146,077	654,802	4,500,103
Allocated support costs	394,579	217,983	483,580	1,096,142
Teaching school	20,540	-	1,700	22,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for the academy trust's educational operations	4,794,382	1,404,165	6,198,547
	<u> </u>	<u> </u>	<u> </u>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Funding for the academy trust's educational operations	4,500,103	1,096,142	5,596,245
	<u> </u>	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Funding for the academy trust's educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	4,041,872	4,041,872	3,699,224
Depreciation	240,552	240,552	242,943
Educational supplies	177,150	177,150	184,313
Technology costs	74,311	74,311	65,688
Examination fees	403	403	2,590
Staff development	49,366	49,366	48,275
Educational consultancy	171,503	171,503	156,393
Other costs	39,225	39,225	100,677
	<u>4,794,382</u>	<u>4,794,382</u>	<u>4,500,103</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Funding for the academy trust's educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	416,483	416,483	394,579
Technology costs	14,965	14,965	12,221
Maintenance of premises and equipment	248,003	248,003	160,941
Cleaning	89,559	89,559	86,010
Rent and rates	8,031	8,031	7,115
Energy costs	50,151	50,151	44,223
Insurance	86,313	86,313	34,734
Transport	12,976	12,976	7,620
Telephone, postage and stationery	36,145	36,145	31,923
Catering	82,015	82,015	89,189
Other costs	190,734	190,734	135,826
Auditors' remuneration	24,962	24,962	22,156
Legal and professional fees	143,828	143,828	69,605
	<u>1,404,165</u>	<u>1,404,165</u>	<u>1,096,142</u>

During the year ended 31 August 2019, the Academy incurred the following Governance costs:

£168,790 (2018 - £91,761) included within the table above in respect of Funding for the academy trust's educational operations.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	50,143	26,339
Depreciation of tangible fixed assets	240,552	242,943
Fees paid to auditors for:		
- audit	7,350	6,500
- other services	17,612	15,656
	<u>17,612</u>	<u>15,656</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,084,257	2,876,851
Social security costs	255,158	218,998
Pension costs	961,903	773,166
	<u>4,301,318</u>	<u>3,869,015</u>
Agency staff costs	197,037	219,769
Staff restructuring costs	-	25,559
	<u>4,498,355</u>	<u>4,114,343</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	-	25,559
	<u>-</u>	<u>25,559</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Management	1	1
Teaching	31	27
Administration and support	128	102
	<u>160</u>	<u>130</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £429,551 (2018: £443,058).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs J Booth - Principal - resigned 22 August 2018	Remuneration	-	115,000 - 120,000
	Pension contributions paid	-	15,000 - 20,000
Miss Jennifer Bone, Principal	Remuneration	85,000 - 90,000	0 - 5,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000
Mr Christopher Fryer, Trustee	Remuneration	15,000 - 20,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mr Jason Swaine, Trustee	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year, retirement benefits were accruing to 2 Trustees (2018 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2019, travel and subsistence expenses totalling £262 were reimbursed or paid directly to 2 Trustees (2018 - £377 to 2 Trustees).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £918 (2018 - £918). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	7,707,767	434,041	97,989	36,649	8,276,446
Additions	636,975	-	13,088	-	650,063
At 31 August 2019	8,344,742	434,041	111,077	36,649	8,926,509
Depreciation					
At 1 September 2018	859,471	209,289	71,816	7,330	1,147,906
Charge for the year	144,993	80,901	7,328	7,330	240,552
At 31 August 2019	1,004,464	290,190	79,144	14,660	1,388,458
Net book value					
At 31 August 2019	7,340,278	143,851	31,933	21,989	7,538,051
At 31 August 2018	6,848,296	224,752	26,173	29,319	7,128,540

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Tangible fixed assets (continued)

Included in leasehold property is land valued at £483,000 (2018: £483,000) which is not depreciated.

Leasehold property is held under a lease from Leicester City Council and is valued at an amount provided by the ESFA at the point of conversion to an academy. It is leased for zero rent.

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	6,129	182
Other debtors	-	25,559
Prepayments and accrued income	269,414	38,401
VAT recoverable	132,304	40,254
	<u>407,847</u>	<u>104,396</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	427,248	85,561
Other taxation and social security	64,186	53,290
Other creditors	72,388	58,887
Accruals and deferred income	76,935	27,088
	<u>640,757</u>	<u>224,826</u>

	2019 £	2018 £
Deferred income at 1 September 2018	1,238	4,971
Resources deferred during the year	10,508	1,238
Amounts released from previous periods	(1,238)	(4,971)
	<u>10,508</u>	<u>1,238</u>

Deferred income relates to free school meals and teachers' pay grant received which relate to the year ended 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	540,992	219,793	(92,329)	-	-	668,456
Restricted general funds						
GAG	109,696	1,634,140	(5,236,284)	3,492,448	-	-
Other grants - ESFA	5,321	95,699	(36,489)	-	-	64,531
Pupil Premium	75,724	80,436	(79,721)	-	-	76,439
Other grants - local authority	406,172	3,729,997	(39,337)	(3,587,455)	-	509,377
Other income	310,094	7,298	(32,835)	-	-	284,557
Teaching school	-	40,000	(40,000)	-	-	-
Pension reserve	(2,568,000)	-	(441,000)	-	(1,500,000)	(4,509,000)
	<u>(1,660,993)</u>	<u>5,587,570</u>	<u>(5,905,666)</u>	<u>(95,007)</u>	<u>(1,500,000)</u>	<u>(3,574,096)</u>
Restricted fixed asset funds						
DfE Group capital grants	38,548	603,225	(3,328)	-	-	638,445
Other capital grants	249,360	-	(19,641)	-	-	229,719
Capital expenditure from GAG	354,543	-	(91,663)	95,007	-	357,887
Capital expenditure included in other income	6,495,017	-	(125,920)	-	-	6,369,097
	<u>7,137,468</u>	<u>603,225</u>	<u>(240,552)</u>	<u>95,007</u>	<u>-</u>	<u>7,595,148</u>
Total Restricted funds	<u>5,476,475</u>	<u>6,190,795</u>	<u>(6,146,218)</u>	<u>-</u>	<u>(1,500,000)</u>	<u>4,021,052</u>

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16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	6,017,467	6,410,588	(6,238,547)	-	(1,500,000)	4,689,508

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £782,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,500,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	493,123	72,118	(24,249)	-	-	540,992
Restricted general funds						
General Annual Grant (GAG)	126,543	1,553,548	(1,506,931)	(63,464)	-	109,696
Other DfE/ESFA grants	66,343	188,668	(173,965)	-	-	81,046
Other income	284,535	3,820,321	(3,298,397)	(90,194)	-	716,265
Pension reserve	(3,112,000)	-	(372,000)	-	916,000	(2,568,000)
	<u>(2,634,579)</u>	<u>5,562,537</u>	<u>(5,351,293)</u>	<u>(153,658)</u>	<u>916,000</u>	<u>(1,660,993)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	38,188	8,928	(8,568)	-	-	38,548
Government capital grant	264,169	-	(14,809)	-	-	249,360
Capital expenditure from GAG	294,532	-	(93,647)	153,658	-	354,543
Capital expenditure from other income	6,620,936	-	(125,919)	-	-	6,495,017
	<u>7,217,825</u>	<u>8,928</u>	<u>(242,943)</u>	<u>153,658</u>	<u>-</u>	<u>7,137,468</u>
Total Restricted funds	<u>4,583,246</u>	<u>5,571,465</u>	<u>(5,594,236)</u>	<u>-</u>	<u>916,000</u>	<u>5,476,475</u>
Total funds	<u>5,076,369</u>	<u>5,643,583</u>	<u>(5,618,485)</u>	<u>-</u>	<u>916,000</u>	<u>6,017,467</u>

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16. Statement of funds (continued)

<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
£	£	£	£	£	£

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,538,051	7,538,051
Current assets	668,456	1,575,661	57,097	2,301,214
Creditors due within one year	-	(640,757)	-	(640,757)
Provisions for liabilities and charges	-	(4,509,000)	-	(4,509,000)
Total	668,456	(3,574,096)	7,595,148	4,689,508

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,128,540	7,128,540
Current assets	540,992	1,131,833	8,928	1,681,753
Creditors due within one year	-	(224,826)	-	(224,826)
Provisions for liabilities and charges	-	(2,568,000)	-	(2,568,000)
Total	540,992	(1,660,993)	7,137,468	6,017,467

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18. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	172,041	25,098
Adjustments for:		
Depreciation	240,552	242,943
Capital grants from DfE and other capital income	(26,359)	(8,928)
Interest receivable	(36)	(15)
Defined benefit pension scheme cost less contributions payable	365,000	290,000
Defined benefit pension scheme finance cost	76,000	82,000
Increase in debtors	(303,451)	(15,163)
Increase/(decrease) in creditors	415,931	(174,408)
Net cash provided by operating activities	939,678	441,527

19. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	36	15
Purchase of tangible fixed assets	(650,063)	(153,658)
Capital grants from DfE Group	26,359	8,928
Net cash used in investing activities	(623,668)	(144,715)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,619,467	1,303,492
Notice deposits (less than 3 months)	273,900	273,865
Total cash and cash equivalents	1,893,367	1,577,357

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21. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government grant was received, the Academy is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	21,810	-

23. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £69,919 were payable to the schemes at 31 August 2019 (2018 - £58,887) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £180,897 (2018 - £168,546).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £521,000 (2018 - £468,000), of which employer's contributions totalled £417,000 (2018 - £375,000) and employees' contributions totalled £ 104,000 (2018 - £93,000). The agreed contribution rates for future years are 23.79 per cent for employers and 5.5 to 12.5 per cent for employees.

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.

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23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.3	3.3
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.4	24.3
<i>Retiring in 20 years</i>		
Males	22.2	23.8
Females	24.7	26.2

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	288	204
Mortality assumption - 1 year decrease	180	103
CPI rate +0.1%	228	157

The Academy's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,101,000	2,837,000
Corporate bonds	1,658,000	1,235,000
Property	428,000	412,000
Cash and other liquid assets	160,000	92,000
Total market value of assets	5,347,000	4,576,000

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23. Pension commitments (continued)

The actual return on scheme assets was £134,000 (2018 - £104,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(651,000)	(665,000)
Past service cost	(131,000)	-
Interest income	134,000	104,000
Interest cost	(210,000)	(186,000)
Total amount recognised in the Statement of financial activities	(858,000)	(747,000)

Past service costs of £131,000 have arisen as a direct result of the McCloud judgement.

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

	2019 £	2018 £
At 1 September	7,144,000	7,080,000
Current service cost	651,000	665,000
Interest cost	210,000	186,000
Employee contributions	104,000	93,000
Actuarial losses/(gains)	1,677,000	(824,000)
Benefits paid	(61,000)	(56,000)
Past service costs	131,000	-
At 31 August	9,856,000	7,144,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	4,576,000	3,968,000
Interest income	134,000	104,000
Actuarial gains	177,000	92,000
Employer contributions	417,000	375,000
Employee contributions	104,000	93,000
Benefits paid	(61,000)	(56,000)
At 31 August	5,347,000	4,576,000

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24. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	49,143	19,638
Later than 1 year and not later than 5 years	120,555	34,810
	<u>169,698</u>	<u>54,448</u>

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 ceases to be a member.

26. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year, the academy purchased services totalling £Nil (2018: £1,480) from The School Development Support Agency, a company in which Mrs J Booth, a trustee of the academy, was a director. There were no amounts outstanding at the year end (2018: £Nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook. Mrs J Booth resigned as a trustee on 22 August 2018.

27. Agency arrangements

The academy trust distributes 16 - 19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2019 the trust received £2,789 (2018: £2,575) and disbursed £930 (2018: £2,231) from the fund. An amount of £1,859 (2018: £344) represents undistributed funds that are held on behalf of the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
Other income	40,000		40,000	
Total income		40,000		40,000
Expenditure				
Direct expenditure				
Direct staff costs	40,000		20,540	
Other expenditure				
Other support costs	-		1,700	
Total expenditure		40,000		22,240
Surplus from all sources		-		17,760
Teaching school balances at 1 September 2018		17,760		-
Teaching school balances at 31 August 2019		<u>17,760</u>		<u>17,760</u>