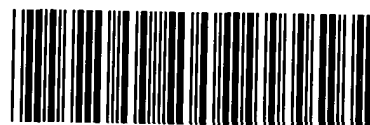


**THE ASCENT ACADEMIES' TRUST  
(A Company Limited by Guarantee)  
ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**Registered Number 08098007 (England and Wales)**

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**THE ASCENT ACADEMIES' TRUST**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2014**

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**THE ASCENT ACADEMIES' TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**YEAR ENDED 31 AUGUST 2014**

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<b>Members</b>	Dame Dela Smith (Chair of Trustees) Colin Short + Val Milnes *+
<b>Trustees</b>	Dame Dela Smith (Chair of Trustees) Carolyn Barker (Head Teacher and Accounting Officer) * Melanie Carson (Head Teacher) * Graeme Shillinglaw (Head Teacher) * Michael Little (Staff Trustee) June Torgersen * Maureen Morris Helen Graham + (resigned 2 April 2014) (reappointed 15 October 2014) Ian Reed (resigned 3 April 2014) Paul Mulhern (resigned 24 September 2014) Amanda Stores *+ Nicky Ramsay *+ (resigned 21 September 2014) Val Milnes * + Colin Short +

\* Finance and General Purposes Committee members

+ Audit Committee members

**Executive Leadership Team**

Head Teacher (Barbara Priestman Academy)	Carolyn Barker
Head Teacher (Portland Academy)	Melanie Carson
Head Teacher (Springwell Dene Academy)	Graeme Shillinglaw
Director of Corporate Services	Michael Little

**Principal and Registered Office**

The Ascent Academies' Trust  
Portland Academy  
Weymouth Road  
Chapelgarth  
Sunderland  
SR3 2NQ

**Company Registration Number**

08098007 (England and Wales)

**Independent Auditor**

Baker Tilly UK Audit LLP  
Chartered Accountant  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

**Bankers**

Lloyds Bank Plc  
102 Grey Street  
Newcastle Upon Tyne  
NE1 6AG

**Solicitors**

Bond Dickinson LLP  
One Trinity  
Newcastle upon Tyne  
NE1 2HF  
  
Ward Hadaway  
102 Quayside  
Newcastle Upon Tyne  
NE1 3DX

# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report and directors' report under company law.

### Structure, Governance and Management

#### Constitution

The Ascent Academies' Trust (the "Trust") was incorporated on 8 June 2012. It is a company limited by guarantee with no share capital (registration number 08098007) and an exempt charity under the Academies Act 2010. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Ascent Trust.

The Trustees of the Trust are also the directors of the charitable company for the purposes of company law. Trustees of the charitable company are nominated by either the Secretary of State for Education or by the members. The Ascent Academies' Trust is a single trust multi-academy sponsor. In that capacity, it acts as one employer across all academies which it sponsors. The academies forming part of the Trust during the financial year were:

- Barbara Priestman Academy - Meadowside, Sunderland, SR2 7QN
- Castlegreen Academy - Craigshaw Road, Sunderland, SR5 3NF
- Portland Academy - Weymouth Road, Sunderland, SR3 2NQ
- Springwell Dene Academy - Swindon Road, Sunderland, SR3 4EE

Castlegreen Academy converted to academy status and joined the Trust on 1 July 2014. All other academies were part of the Trust for the year.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### 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.

#### Trustees' Indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out academy business. A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Trust.

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership of the Board of Trustees is in accordance with the structure contained within it. The number of Trustees is not subject to any maximum and the appointments made are in line with the guidance in the Articles of Association.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teachers) who are employees of the Trust does not exceed one third of the total number of Trustees.

# **THE ASCENT ACADEMIES' TRUST**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2014**

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The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at one of the academies at the time they were elected or when the Trust was established.

The Head Teacher of each academy in the Trust shall be a Trustee for as long as he or she remains in that position.

The Trustees may appoint up to 3 co-opted Trustees. The Trustees may not co-opt an employee of the Trust as a co-opted Trustee if thereby the number of Trustees who are employees would exceed one third of the total number of Trustees.

The Secretary of State may appoint additional Trustees as they think fit if they have given a warning notice and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All new Trustees and/or Governors of each Local Governing Body will be given induction training by the Trust's governance partner that reflects his/her previous experience and expertise. The Trust purchases support that provides for individual and full Governing Body training which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors and, should any gaps be identified training courses are offered to address these issues.

### **Organisational Structure**

The leadership and management structure of the Trust consists of the Board of Trustees, four Local Governing Bodies (LGBs), the Executive Leadership Team and the Senior Leadership Teams of each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and is ultimately accountable for all the academies within the Trust. They will hold to account the Head Teachers and LGBs of each individual academy. Powers are delegated from the Board via a scheme of delegation. This scheme is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, budget monitoring, making major decisions about the direction of the academies and the Trust and senior staffing appointments.

Local Governing Bodies (LGBs) are responsible for the setting and review of the curriculum, monitoring the standards and performance of each of the individual academies.

The Executive Leadership Team consists of the Head Teachers of each of the individual academies and the Director of Corporate Services for the Trust. The team lead and manage the Trust at an executive level, steering the direction of the academies in line with strategic plans and developing opportunities.

The Senior Leadership Teams are responsible for the day to day operation of each individual academy in addition to supporting the wider work and objectives of the Trust.

The Board appointed C M Barker, Head Teacher of Barbara Priestman Academy, as Accounting Officer for the Trust and she has served in this role through the period and since the Trust was formed.

# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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### **Connected Organisations including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

### **Objectives and Activities**

#### **Objects and Aims**

The principal objective of the Trust is the provision of outstanding education and support to young people with special educational needs.

#### **Objectives, Strategies and Activities**

The Ascent Academies' Trust was founded with the aim of developing a vision and strategic plan for special educational needs in Sunderland. By collaboratively working together we are not only able to increase the opportunities we can offer to our own students and staff, but we are also able to offer our specialist knowledge to other schools and academies through advice, consultancy and training.

The purpose of the Trust is to strengthen provision across all the academies within the group. This is achieved through combining and developing expertise at all levels in order to achieve excellent outcomes for learners.

The Trust is outward looking to support the needs of SEN learners and providers in the locality, working together to enhance school improvement.

The Trust has set a number of guiding principles to adhere to and steer their objectives and activities:

#### *Learning and Curriculum*

The provision of the highest quality teaching is of paramount importance. Pupils need to experience a wide range of motivating and challenging, well-pitched learning opportunities. Teacher expertise will identify barriers to learning and plan ways to overcome these. There is a belief that all pupils can succeed whatever their individual circumstances.

#### *Leadership*

We provide an environment in which everyone is encouraged and supported to develop leadership and management competencies. This will enable Ascent to maximise the talent within the Trust and plan for succession. We will review the progress made by the Trust against the organisation's overall investment. We will challenge any under-performance.

#### *Collaboration and Partnership*

The Trust is committed to the development of education practice by maximising collaboration across all academies within the Trust. We will use partnerships, such as parents, multi-disciplinary teams, community links, teaching schools and businesses to enhance provision. The Trust will pursue opportunities for income generation.

#### *Inclusivity and Equality*

Ascent is an inclusive Trust – the skills and experience of staff are valued and utilised in striving for excellence. No groups are discriminated against. We value each person equally whilst being mindful of the needs of the whole Trust.

#### *Investment and Opportunity*

We will invest in our staff to provide them with the necessary training and support in order that the aims of the Trust can be met. We embrace and celebrate continuous learning and create a culture where all learning is valued. All staff are given the opportunity to make the most of their potential through fair and open access to training. We are committed to the most efficient and effective use of resources to support training needs.

# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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### *Continuous Improvement*

All staff and Governors clearly understand the core values of the Trust and the way it operates. Leaders across the Trust act in line with these values, encouraging people to work towards the aims of the organisation. Leaders ensure that the core values are at the heart of the organisation's strategy and govern the way it operates. Leaders of the academies provide challenge and support for each other in order that improvement is central to our work.

### **Public Benefit**

The Trustees have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

### **Strategic Report**

#### **Achievements and Performance**

All four academies within the Trust are currently judged by Ofsted to be good or outstanding.

The Trust offers a broad and relevant curriculum for all its students and over the last year has continued to build strong partnership working to enable pupils, staff and other schools in the region to share Trust resources and expertise.

The Trust is continuing to grow with the latest addition being Castlegreen Academy, joining the Trust and officially becoming part of Ascent with effect from 1 July 2014.

Through working closely with the DfE, the Trust was successful in achieving Sponsorship Status in December 2013. This status came with additional grant funding to enable the increase in the capacity required within the Trust and to sponsor underperforming schools. An approach was subsequently received from the DfE to sponsor Ash Trees School in Billingham, which commenced during the Summer Term.

The benefits of collaborative working have been clearly evident during the year. Streamlined processes and joined up working has resulted in significant financial savings in year. New shared appointments and posts across the Trust make specialist expertise affordable to academies and enable further added value to the provision. Through new joined up ways of thinking and working, we have been able to secure best value for money, reduce costs, spread expertise and ensure maximum use of resources. Additional savings and new income generated has been reinvested within individual academies and the Trust overall to increase capacity and improve resources to give our pupils the maximum opportunities.

The Annual Ascent SEN Conference was a roaring success again this year with nationally recognised key note speakers delivering to over 255 staff and external delegates. Planning is already underway for the 2014/15 conference.

The Executive Leadership Team continues to use and develop well-established protocols for evaluating and challenging standards within each academy. This includes monitoring lesson observations, standards of pupils' work, behaviour and progress. This ensures that academy self-evaluation is well-moderated and standards across the Trust are monitored and maintained.

In line with the vision of Ascent, throughout the year the Trust has been pursuing new ventures and opportunities for the future. One of the primary focuses has been to look at expanding the SEN provision on offer to young people aged 19-25 and provision out of hours. This was only legally possible though setting up a trading subsidiary for Ascent. In August 2014, Ascent Extra Limited was established, a trading subsidiary company formed to facilitate the delivery of new SEN provisions by Ascent. 2014/15 could see Ascent delivering both 19-25 and out of hours provision.

# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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Opportunities continue to grow for the Trust as the Ascent name and growing success stories spread. The Trust has been approached by numerous schools and academies across the country to request support, training and advice and in particular discuss experiences and our journey so far.

### Barbara Priestman Academy

Pupil numbers have risen to 124. Attendance for the last academic year was 95% an increase of 2%.

Progress and attainment across KS3 is outstanding. Benchmarked data with like cohorts demonstrate that the vast majority of students are making at least expected progress across core subjects and many exceed expectations.

Outcomes for students at the end of KS4 continue to be very strong in English and Science with the vast majority of students meeting and many exceeding FFT predictions. In Maths, this year students did less well and we are now introducing functional skills qualifications. We have also introduced the new primary national curriculum to ensure that developmental milestones are reached and mastered as students move through the academy.

The quality of teaching is outstanding and the academy continues to develop its practice through action research. This has been recognised through NFER Research Mark which gave us the highest level of award.

There are some very good improvements in behaviour for pupils over time that is well-supported by the behaviour manager, student well-being team and outside agencies.

### Castlegreen Academy

Although officially joined the Trust from 1 July 2014, data presented is for the full academic year 2013/14.

Pupil numbers averaged around 70 students during the year, out of a possible 75 commissioned allocated places. Overall attendance during the year was 83.69%.

KS3 consisted of a cohort of 17 students in year 9, overall attendance for this group was 85.64%. In English half of the group made good progress with the other half achieving only satisfactory or little progress. In Maths and Science, the majority of the group made satisfactory progress.

Our overall attendance for Year 11 was 73.19%. This cohort consisted of 22 students. The school is working closely with the LA's attendance team to rigorously pursue and implement procedures with the small numbers of students who's persistent absences account for the vast majority of absence.

During the year there were 93 qualifications achieved in a variety of course and subject areas. 8 students gained more than 1 GCSE from subjects including English, Maths, Science and ICT. 1 student gained 5 or more GCSEs, whereas 2 students gained 4 GCSEs.

Castlegreen delivered a range of accredited courses in academic as well as vocational areas. These included Wider Key Skills, Level 1 Certificates, Entry Level Certificates, Functional Skills and BTEC. Based on all the accreditation achieved from the variety of courses delivered, our students would have averaged a point score of 93.8. However, with most courses not being recognised for their point value now other than GCSE, our students averaged 26.5.

### Portland Academy

Pupil numbers have risen to 157, a small increase from last year. During the last academic year our attendance in our secondary department was 95% and across the academy as a whole (secondary and post 16) was 94%. This was an increase of nearly 2% from the previous year.



# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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The academic progress that pupils make between Y6 and Y11 continues to be excellent. Y11 students (June 2014) progress across KS3/4 compares exceptionally well against the DCSF Progression Guidance sample. In English 38.9% of students fell in median quartile with 55.6% achieving in the upper quartile.

In Maths 44.4% of students fell in the median quartile with 38.9% achieving in the upper quartile. This means that in English, 94.5% and in Maths, 83.3% of pupils fall within the median and upper quartiles. This shows that the proportions of pupils exceeding expected progress in English and Maths are very high compared to national figures.

6<sup>th</sup> form students make rapid progress across many subjects as evidenced through the accreditation gained. In 2014, there were differentiated awards covering a wide range of personal, vocational and academic courses.

The quality of teaching across the academy is almost always good (95%) and much is outstanding (35%). The academy has continued to improve the quality of teaching by focussing on improving practice in the teaching of pupils with autism. Early indications show that the academy will achieve National Autism Accreditation in recognition of this work, in 2014/15. Access to the curriculum has been further developed with the expertise of a newly appointed occupational therapist. Drama continues to be a strength of the academy and this year the school performance was enhanced through the use of a 'flying rig' which enabled a wheelchair user to 'fly' onto stage along with her able bodied peers.

The behaviour of the pupils is very good and in many cases outstanding. There are no reported cases of bullying and pupils show an enjoyment of school and a love of learning.

### Springwell Dene Academy

Pupil numbers during the year averaged around 60 students. Although five below the academy's commissioned place number, it is an increase of 5 from the previous year. Attendance for the last academic year was 85.12%.

Progress within KS3 was again outstanding with a cohort of 13 students in year 9. The SAT's tests at the end of Year 9 were made optional from 2010, however at Springwell Dene we believe that the information provided by the assessment tests is vital to monitor progress of students so we continue to use the optional SAT's tests. In addition, Year 9 students also sit another online assessment task provided by Durham University, (INSIGHT assessment) which accurately provides us with predicted grades at GCSE level and a measure of their KS3 level in the core subjects of English, Maths and Science. This together with the optional SAT's and teacher assessment provides a rigorous and accurate measure of students levels of attainment at the end of KS3.

Our value added from the 2013/14 MIDYIS programmes showed that students were exceeding or equalling their predicted levels of attainment in English, Maths and Science between KS2 and KS3. The value added data compares the actual KS3 results against the students predicted levels, the predicted levels are calculated from the student's prior progress at KS1 and KS2.

Within KS4 this year we had 13 students in Year 11 and our students continue to excel and in many cases exceed their predicted grades, (predictions based on Year 9 MIDYIS and Year 10 YELLIS assessment tasks). 4 students gained 5 or more GCSE pass grades including English and Maths and 4 students gained 6 or more GCSE passes.

# THE ASCENT ACADEMIES' TRUST

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

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Springwell Dene Academy has maintained the diverse range of external accreditation opportunities available to students. These now include 10 GCSEs, 9 Level 1 and 2 courses, and 13 Entry Level qualifications. Vocational courses are offered in a variety of areas including Creative Media, Construction, Motor Vehicle Studies, Exercise Studies, Personnel Development in the Outdoor Industry and a L1 Certificate in Bushcraft Skills. We have continued the trend of moving students onto more challenging courses and as a consequence have again seen a reduction in the overall number of Entry Level Certificate qualifications and an increase in those entered for GCSE and equivalent qualifications. A greater proportion of students now also gain accreditation at a higher level than in previous years. This is a tribute to the efforts and hard work of both staff and students

Lesson observations continue to demonstrate that the vast majority of lessons are good or outstanding. A comprehensive generic and personalised CPD programme has been put in place to support staff to further develop their practise.

Our students have worked hard to develop an anti-bullying policy and we have gained the Anti-bullying Gold Award Charter Mark. Behaviour profiles demonstrate that the vast majority of students have made impressive progress and are far more able to manage their emotions and behaviours.

### Key Financial Performance Indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. During the year there have been significant savings achieved by all the academies through collaborative working across the Trust. These efficiencies have resulted from the streamlining of processes, economies of scale through working together as one organisation and through creative and new ways of working. All the savings generated have been reinvested in each of the academies and the capacity of the Trust overall through additional resources and the participation in further added valued activities, including the employment of specialists across the Trust now. In addition to cost savings and efficiencies, the Trust has also secured additional new income streams during the year resulting from partnership working and continuing to share best practice and resources to enhance SEN provision within the region.

The key non-financial performance indicators of the Trust relate to the achievements and performance of its students within the individual academies. Please see the Achievements and Performance section

### Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 can be found in the Statement of Accounting Policies.

### Financial Review

The majority of the Trusts' income for the year of account is obtained from either the EFA (Education Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ending 31 August 2014 total expenditure of £7,187,837 (excluding net inherited liabilities) was more than covered by grant funding from the EFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £377,085.

At 31 August 2014 the net book value of fixed assets was £23,520,720. The assets were used exclusively for providing education and associated support to the pupils in the academies within the Trust.

# **THE ASCENT ACADEMIES' TRUST**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2014**

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As at 31 August 2014 there was also the £1 investment in share capital of Ascent Extra Limited, the trading subsidiary of the Trust. There was no trading activity in the subsidiary during the year.

Under accounting standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £1,752,000 which has been carried forward to 2014/15. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

### **Reserves Policy**

The Finance Committee and General Purpose Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts are presented to Trustees. At 31 August 2014 the value of reserves that were freely available to the Trust was £1,551,216.

### **Investment Policy**

The Trust has a Treasury Management and Investment Policy which is reviewed annually by Trustees. The Trust currently operates interest bearing bank accounts.

The only investment the Trust currently has is a £1 share capital in Ascent Extra Limited. This investment represents 100% of shares. Ascent Extra Limited was set up on 29 August 2014 but was still dormant at 31 August 2014.

Other than the investment in the trading company above, the Trust does not have any funds invested.

### **Principal Risks and Uncertainties**

The Trustees have adopted the Statement of Recommended Practice (SORP) approach to identifying and managing the risks of the Trust. The Trust has developed a Risk Management Strategy and has a Risk Register, incorporating all academies, including the financial, legal, commercial, political, corporate/strategic, governance, contractual and IT risks potentially exposed to. As part of developing these registers, the key risks to which the Trust may be exposed to were identified and reviewed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The schedule of risks is tabled at Audit Committee meetings and mitigating actions agreed as required. These registers are continually reviewed and are a standard item now on the Audit Committee termly meeting agenda. The full risk register is reviewed on an annual basis by the Audit Committee and an internal audit and assurance work plan agreed to review the controls in place to mitigate and manage such risks effectively.

Where significant financial risks remain, the Trust has ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Trust has fully implemented the requirements of the Safer Recruitment procedures and appropriate staff have received the appropriate training and guidance.

The principal risks and uncertainties facing the Trust are centred around the on-going changes to High Needs Funding, the processes in which the Academies receive their primary source of income from the EFA/DfE and local commissioners of Special Educational Needs places/provision. This is a key area that is being strictly monitored, reviewed and managed continuously by the Trust to understand the financial implications and to take action to address, if and when necessary. The first of these risks has already materialised with the notification of a 23% reduction in Education Services Grant from 2015/16.

# **THE ASCENT ACADEMIES' TRUST**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2014**

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Another current development which ties into funding risks, is the roll out of the Education Health and Care Plans (EHCPs). Whilst the EHCPs are intended to bring fairer and more transparent pupil basis funding, this is likely to bring further unstable fluctuating finances. Again this is being closely monitored to understand how we can include in financial planning.

As the Trust has sponsorship status, we have a close relationship with the DfE to work with other academies to either support or sponsor them in the future. Any of these support models or arrangements has risks and uncertainties, through either bringing new academies into the Trust or stretching internal capacity. From experience the Trust has robust models for undertaking due diligence on new ventures and always adopts a risk aware approach.

In addition, the Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant liability on the Trust's balance sheet. The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 27 to the financial statements, represents a significant potential liability. However the Trust consider that as each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also, 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 2012.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

2015 is a General Election year so we all have to be mindful of the implications on public spending and government agendas prior to and post election.

### **Plans for Future Years**

The Trust plans to continue to provide outstanding education to young people with special educational needs. Strategic improvement plans are being developed for each individual academy that steer and contribute to the overall direction of travel of the Trust.

In expanding the SEN provision on offer to local young people, the Trust is working with a number of partners to develop new ventures and opportunities. In particular the establishment of Ascent Extra Limited, the Trust's trading subsidiary, which will be used as a vehicle to deliver these new ventures. Through the development of training and consultancy services we can share best practice and experiences with others. Through this separate trading arm we can specifically explore new ventures now including out of hours provision, forest schools and expanding SEN provision to 19-25 year olds.

We plan to continue to work closely with the DfE and look to sponsor other schools and academies in the future as requested. This sponsorship may be on a support basis or as a full sponsor and incorporate additional schools into the Trust.

Our next major development is the sponsorship of Ash Trees Primary School in Billingham. We have been working with Ash Trees School during the summer term, which has now progressed into plans for the school to convert to Academy status and join the Trust early in 2014/15. Ash Trees joined the Trust on 1 November 2014. Further information is provided in note 30.

The current levels of reserves are being evaluated to ensure surplus funds are invested into resources (including buildings, equipment and staff training) in each academy to achieve maximum return and meet our aims and objectives. As part of review we are also looking to invest further in resources and working closely with our commissioners, the Local Authorities, to expand the asset portfolio of the Trust to align with and enable future growth and increase in pupil numbers.

**THE ASCENT ACADEMIES' TRUST**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 AUGUST 2014**

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**Funds Held as Custodian Trustee on Behalf of Others**

There are no funds held as Custodian Trustee on behalf of others.

**Auditor**

Baker Tilly Audit Limited ceased trading on 31 March 2014. The Directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as auditor on 1 April 2014 to fill the casual vacancy.

In accordance with Companies Act 2006 a resolution proposing the appointment of the company's auditors will be put to the members.

**Statement as to disclosure of information to auditors**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communication to the auditor.

The Trustees' Annual Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 3 December 2014 and signed on its behalf by:



**Dame D Smith**  
**Chair of Trustees**

Date: 3/12/2014

# THE ASCENT ACADEMIES' TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 Head Teacher of Barbara Priestman Academy, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the 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 6 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
<b>Member Appointed Directors;</b>		
Dame Dela Smith (Chair)	6	6
Helen Graham	1	2
Michael Little	6	6
<b>Academy Directors;</b>		
June Torgersen (Chair of Portland Academy, Local Governing Body)	6	6
Val Milnes (Chair of Barbara Priestman Academy, Local Governing Body)	6	6
Colin Short (Chair of Springwell Dene Academy, Local Governing Body)	6	6
<b>Parent Directors</b>		
Amanda Stores	5	6
Maureen Morris	3	6
Nicky Ramsay	3	5
<b>Principals</b>		
Carolyn Barker (Head Teacher and Accounting Officer)	6	6
Melanie Carson (Head Teacher)	6	6
Graeme Shillinglaw (Head Teacher)	6	6
<b>Co-opted</b>		
Ian Reed	2	2

During the year resignations were tendered by Helen Graham, 2 April 2014 and Ian Reed, 3 April 2014. As at 31 August 2014, replacement Trustees had not been appointed, however subsequently Helen Graham was reappointed on 15 October 2014. In addition, Nicky Ramsey also subsequently resigned. Trustees are looking to appoint replacements for both vacancies and potentially additional Directors also during 2014/15.

There is currently an external review being undertaken to assess and evaluate the current structure, impact and effectiveness of board of Trustees and the governance arrangements of the Trust. The findings and outcome of this review will be reported and actioned in the Spring Term of 2015.

# THE ASCENT ACADEMIES' TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

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The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Trust by enabling more detailed consideration to be given, to ensure the sound management of the Trust's finances, staffing and resources, including proper planning, monitoring and probity.

Attendance during the year at meetings of the Finance and General Purposes Committee were as follows:

Trustee	Meetings attended	Out of a possible
Val Milnes (Chair)	4	4
June Torgersen	4	4
Carolyn Barker	3	4
Melanie Carson	3	4
Graeme Shillinglaw	4	4
Amanda Stores	2	3
Nicky Ramsay	1	3

Amanda Stores and Nicky Ramsay were both appointed to the Finance and General Purposes Committee during the year to add expertise and capacity.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to advise the Trust on the adequacy and effectiveness of the systems of internal control and the arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money) and that the systems are rigorous and constantly reviewed.

Attendance at meetings during the year was follows:

Trustee	Meetings attended	Out of a possible
Colin Short (Chair)	3	3
Helen Graham	0	3
Amanda Stores	3	3
Nicky Ramsay	1	1
Val Milnes	0	0

Nicky Ramsay and Val Milnes were both appointed to the Audit Committee during the year to add expertise and capacity.

### 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 Ascent Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

# THE ASCENT ACADEMIES' TRUST

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

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### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Ascent Trust 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes 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 have considered the need for a specific internal audit function and have appointed Tait Walker as Internal Auditor. A rolling internal audit programme is in place with an agreed and regularly reviewed work plan being used to report back to the Audit Committee on a termly basis.

### Review of Effectiveness

As Accounting Officer, the Head Teacher of Barbara Priestman Academy has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 3 December 2014 and signed on its behalf by:



**Dame D Smith**  
Chair of Trustees



**C M Barker**  
Accounting Officer



**THE ASCENT ACADEMIES' TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2014**

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The Trustees (who act as governors of The Ascent Academies' Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 statement of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

The 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 3/12/2014 and signed on its behalf by:



**Dame D Smith**  
**Chair of Trustees**

**THE ASCENT ACADEMIES' TRUST**  
**INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2014**

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We have audited the financial statements of the Ascent Academies' Trust for the year ended 31 August 2014 on pages 19 to 43. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditor**

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

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

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE ASCENT ACADEMIES' TRUST**  
**INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2014**

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**Matters on which we are required to report by exception**

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

- the charity has not kept adequate accounting records, 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.

KEVIN ROONEY (Senior Statutory Auditor)

*Baker Tilly UK Audit LLP*

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Ferryboat Lane  
Sunderland  
SR5 3JN

Date: *3 DECEMBER 2014*

# THE ASCENT ACADEMIES' TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Income resources from generated funds:</i>						
Voluntary income	2	70,358	29,331	650,000	749,689	61,873
Transfer from Local Authority on conversion	29	51,678	(257,000)	2,859,600	2,654,278	19,963,539
Investment income	4	2,252	—	—	2,252	1,458
Activities for generating funds	3	229,377	—	—	229,377	240,885
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	45,111	6,712,190	—	6,757,301	6,405,923
<b>Total incoming resources</b>		398,776	6,484,521	3,509,600	10,392,897	26,673,678
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income		—	—	—	—	—
Fundraising trading	6	136,013	—	—	136,013	108,006
<i>Charitable activities:</i>						
Academy's educational operations	7	—	6,505,598	476,303	6,981,901	6,379,105
Governance costs	8	—	69,923	—	69,923	41,501
<b>Total resources expended</b>		136,013	6,575,521	476,303	7,187,837	6,528,612
<b>Net incoming/ (outgoing) resources before transfers</b>		262,763	(91,000)	3,033,297	3,205,060	20,145,066
Gross transfers between funds		—	(320,178)	320,178	—	—
<b>Net income/(expenditure) for the year</b>		262,763	(411,178)	3,353,475	3,205,060	20,145,066
<i>Other recognised gains and losses:</i>						
Actuarial losses on defined benefit pension scheme		—	229,000	—	229,000	(129,000)
<b>Net movement in funds</b>		262,763	(182,178)	3,353,475	3,434,060	20,016,066
<b>Reconciliation of funds</b>		—	—	—	—	—
<b>Total funds brought forward at 1 September 2013</b>		1,288,453	(1,439,632)	20,167,245	20,016,066	—
<b>Total fund balances carried forward at 31 August 2014</b>		1,551,216	(1,621,810)	23,520,720	23,450,126	20,016,066

All of the Academy Trust's activities derive from continuing operations in the above financial periods.


The notes on pages 22 to 43 form part of these financial statements.

**THE ASCENT ACADEMIES' TRUST**  
**BALANCE SHEET AS AT 31 AUGUST 2014**  
**COMPANY NUMBER: 08098007**

	Notes	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	13		23,520,720		20,167,245
Investments	14		<u>1</u>		<u>—</u>
			23,520,721		20,167,245
<b>Current assets</b>					
Stock	15	2,200		2,000	
Debtors	16	685,416		307,072	
Cash at bank and in hand		<u>2,130,691</u>		<u>1,789,824</u>	
		2,818,307		2,098,896	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	<u>(1,136,902)</u>		<u>(517,075)</u>	
<b>Net current assets</b>			<u>1,681,405</u>		<u>1,581,821</u>
<b>Total assets less current liabilities and net assets excluding pension liability</b>			25,202,126		21,749,066
Pension scheme liability			<u>(1,752,000)</u>		<u>(1,733,000)</u>
<b>Net assets including pension liability</b>			<u>23,450,126</u>		<u>20,016,066</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	18	23,520,720		20,167,245	
General fund	18	130,190		293,368	
Pension reserve	27	<u>(1,752,000)</u>		<u>(1,733,000)</u>	
<b>Total restricted funds</b>			21,898,910		18,727,613
<b>Unrestricted income funds</b>					
General fund	18	<u>1,551,216</u>		<u>1,288,453</u>	
<b>Total unrestricted funds</b>			<u>1,551,216</u>		<u>1,288,453</u>
<b>Total funds</b>			<u>23,450,126</u>		<u>20,016,066</u>

The financial statements on pages 19 to 43 were approved by the trustees and authorised for issue on ..... and are signed on their behalf by:

  
 .....  
**Dame D Smith**  
 Chair of Trustees

  
 .....  
**Colin Short**  
 Chair of Audit Committee

The notes on pages 22 to 43 form part of these financial statements.

**THE ASCENT ACADEMIES' TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	22	607,116	864,357
Returns on investment and servicing of finance	23	2,252	1,458
Capital expenditure	24	(320,179)	(117,313)
Cash transferred on conversion to academy trust	29	<u>51,678</u>	<u>1,041,322</u>
<b>Increase in cash in the year</b>		340,867	1,789,824
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>Net funds at 1 September 2013</b>		<u>1,789,824</u>	—
<b>Net funds at 31 August 2014</b>		<u>2,130,691</u>	<u>1,789,824</u>

The notes on pages 22 to 43 form part of these financial statements.

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Conversion to an Academy Trust**

The conversion from state maintained schools to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Portland College, Barbara Priestman School, Spingwell Dene School and Castlegreen Community School to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with policies set out for The Ascent Academies' Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The school buildings were transferred from the Council of the City of Sunderland to the Trust under a 125 year lease and have therefore been recognised at fair value as an asset on conversion. The land values are considered to be immaterial to the results for the year and have not therefore been recognised on that basis.

**Going concern**

After reviewing financial and other information available, the Trustees consider that the Academy 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.

**Incoming resources**

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

• **Grants receivable**

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

The General Annual Grant ('GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is reconsidered as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies (*continued*)**

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

- **Sponsorship income**

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

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the year in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

- **Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**Resources expended**

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

- **Cost of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.



**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies (*continued*)**

**Tangible fixed assets**

Tangible fixed asset assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Long leasehold buildings and modifications	- 50 years
Plant and Machinery	- 5 years
Furniture and equipment	- 10 years
Computer equipment and software	- 3 years
Motor Vehicles and Minibuses	- 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Land is not depreciated.

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.

**Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Stock**

Stationery stocks are valued at the lower of cost or net realisable value.

**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**1. Statement of Accounting Policies (*continued*)**

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings – Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the 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 are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

**2. Voluntary income**

	Unrestricted funds	Restricted funds	Restricted Fixed Assets Fund	Total 2014	Total 2013
	£	£	£	£	£
Happy Talk income	–	–	–	–	2,262
School fund income	9,653	–	–	9,653	7,479
Donations and other voluntary income	60,705	–	–	60,705	52,132
Devolved formula capital	–	29,331	–	29,331	–
Gift in kind	–	–	650,000	650,000	–
	<u>70,358</u>	<u>29,331</u>	<u>650,000</u>	<u>749,689</u>	<u>61,873</u>

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**3. Activities for Generating Funds**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	51,921	—	51,921	36,757
Catering income	88,073	—	88,073	70,805
Swimming lessons income	17,339	—	17,339	14,870
Home to school transport income	10,640	—	10,640	9,093
Educational visits income	17,647	—	17,647	19,985
School uniform sales	10,434	—	10,434	1,198
Extended school facilities/summer school income	<u>33,323</u>	<u>—</u>	<u>33,323</u>	<u>88,177</u>
	<u>229,377</u>	<u>—</u>	<u>229,377</u>	<u>240,885</u>

**4. Investment income**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	<u>2,252</u>	<u>—</u>	<u>2,252</u>	<u>1,458</u>

**5. Funding for Academy Trust's Educational Operations**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE/EFA Grants</b>				
• General Annual Grant (GAG)	—	3,946,196	3,946,196	5,146,164
• Capital grants	—	—	—	22,766
• Other DfE/EFA Grants	<u>—</u>	<u>332,329</u>	<u>332,329</u>	<u>145,139</u>
	—	4,278,525	4,278,525	5,314,069
<b>Other Government Grants</b>				
• Local Authority grants	—	2,433,665	2,433,665	1,007,491
• Other Government income	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,433</u>
	—	6,712,190	6,712,190	6,325,993
<b>Non-Government Grants and Other Income</b>				
• Other income	<u>45,111</u>	<u>—</u>	<u>45,111</u>	<u>79,930</u>
	<u>45,111</u>	<u>—</u>	<u>45,111</u>	<u>79,930</u>
	<u>45,111</u>	<u>6,712,190</u>	<u>6,757,301</u>	<u>6,405,923</u>

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**6. Resources Expended**

	Staff costs £	Non pay expenditure Premises costs £	Other costs £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	—	—	—	—	—
Costs of activities for generating funds	21,498	—	114,515	136,013	108,006
Academy's education operations:					
• Direct costs	4,523,801	463,221	542,448	5,529,470	5,232,666
• Allocated support costs	<u>917,028</u>	<u>264,040</u>	<u>271,363</u>	<u>1,452,431</u>	<u>1,146,439</u>
	5,462,327	727,261	928,326	7,117,914	6,487,111
Governance costs including allocated support costs	<u>—</u>	<u>—</u>	<u>69,923</u>	<u>69,923</u>	<u>41,501</u>
	<u>5,462,327</u>	<u>727,261</u>	<u>998,249</u>	<u>7,187,837</u>	<u>6,528,612</u>

**Incoming/outgoing resources for the year include:**

	2014 £	2013 £
Fees payable to Baker Tilly UK Audit LLP and its associates for:-		
• Audit	11,814	9,914
• Other services	3,095	2,895
Operating leases	6,721	6,315
Profit/(loss) on disposal of fixed assets	<u>1,306</u>	<u>—</u>

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**7. Charitable Activities – Academy Trust's Educational Operations**

	Unrestricted funds £	Restricted funds £	Restricted Fixed Assets £	Total 2014 £	Total 2013 £
<b>Direct costs:</b>					
Teaching and educational support staff costs	–	4,523,801		4,523,801	4,325,109
Depreciation	–	–	463,221	463,221	448,987
Technology costs	–	56,256	–	56,256	64,680
Educational supplies	–	374,195	–	374,195	312,110
Examination fees	–	24,600	–	24,600	16,805
Staff development	–	75,369	–	75,369	63,827
Educational consultancy	–	12,028	–	12,028	1,148
Other direct costs	–	–	–	–	–
	–	5,066,249	463,221	5,529,470	5,232,666
<b>Allocated support costs:</b>					
Support staff costs	–	917,028	–	917,028	526,418
Depreciation	–	–	13,082	13,082	13,298
Technology costs	–	31,343	–	31,343	46,239
Recruitment and support	–	17,261	–	17,261	8,859
Maintenance of premises and equipment	–	77,751	–	77,751	134,532
Cleaning	–	44,765	–	44,765	41,976
Rent and rates	–	27,194	–	27,194	13,338
Energy costs	–	114,330	–	114,330	125,735
Insurance	–	89,739	–	89,739	93,086
Security and transport	–	18,858	–	18,858	26,595
Catering	–	–	–	–	–
Bank interest and charges	–	–	–	–	–
FRS 17 finance charges	–	(12,000)	–	(12,000)	5,000
Other support costs	–	113,080	–	113,080	111,363
	–	1,439,349	13,082	1,452,431	1,146,439
<b>Total</b>	–	6,505,598	476,303	6,981,901	6,379,105

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**8. Governance Costs**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal & professional fees	–	55,014	55,014	24,535
Auditor's remuneration:				
Audit of financial statements	–	11,814	11,814	9,914
Responsible officer audit	–	–	–	3,882
Other services	–	3,095	3,095	–
Costs incurred relating to conversion	–	–	–	3,170
Support staff costs	–	–	–	–
Governors reimbursed expenses	–	–	–	–
	–	69,923	69,923	41,501

**9. Staff costs**

Staff costs during the year were:

	Total 2014 £	Total 2013 £
Wages and salaries	4,307,079	3,911,091
Social security costs	308,054	279,463
Pension costs	663,111	618,349
	5,278,244	4,808,903
Supply staff costs	178,907	53,864
Staff restructuring costs	5,176	6,836
	5,462,327	4,869,603

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

	2014 No	2013 No
<b>Charitable activities</b>		
Teachers	63	54
Teaching support	63	48
Administration/other support	43	34
Management	14	13
183	183	149

The number of employees whose annual emoluments fell within the following band was:

	2014 No	2013 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	–

The employees noted above participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £31,936 (2013: £25,633).

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**10. Central Services**

The Academy Trust has provided the following central services to its academies during the year:

- Human Resources;
- Financial Services;
- Governance Services;
- Education and Support Services; and
- Technology Support Services.

The Trust charges for these services on an agreed percentage basis. Each school pays the Trust 2.5% (2013: 2.1%) of their school budget to fund central services.

The actual amounts charged during the year were as follows:

- Portland Academy - £70,830 (2013: £54,600)
- Barbara Priestman Academy - £50,655 (2013: £42,000)
- Springwell Dene Academy - £28,028 (2013: £13,475)
- Castlegreen Academy £4,688

**11. Related Party Transactions – Trustees' Remuneration & Expenses**

Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Trustees. The value of Trustees remuneration paid in respect of their teaching duties is disclosed for the year that they were Trustees and the value of this remuneration is shown below. We do however draw your attention to the fact that the comparative period is a 13 month period of account and therefore the comparative disclosure is for a 13 month period.

- C Barker (Principal and Trustee) - £77,174 gross salary and employer's pension contributions of £10,881 (2013: £70,000 - £75,000)
- G Shillinglaw (Principal and Trustee) - £68,279 gross salary and employer's pension contributions of £9,627 (2013: £35,000 - £40,000)
- M Carson (Principal and Trustee) - £81,047 gross salary and employer's pension contributions of £11,428 (2013: £75,000 - £80,000)
- M Little (Staff Trustee) - £45,000 - £50,000 (2013: £5,000 - £10,000)

During the year ended 31 August 2014, no expenses were reimbursed to governors (2013: £Nil).

Related party transactions involving the trustees are set out in note 28.

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice, each Academy within the Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The policy provides cover up to the limit of £5,000,000.

The cost for the year ended 31 August 2014 was £2,186 (2013: £3,659). The cost of this insurance is included in the total insurance cost.

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**13. Tangible Fixed Assets**

	Long leasehold buildings £	Assets Under Construc- tion £	Furniture and equip- ment £	Plant and Machinery £	Computer equipment £	Motor Vehicles £	Total £
<b>Cost</b>							
At 1 September 2013	20,362,367	–	93,904	26,309	85,575	61,375	20,629,530
Transfer on conversion	2,827,000	–	12,245	6,850	8,480	5,025	2,859,600
Additions	201,316	650,000	64,066	2,678	36,778	16,434	971,272
Disposals	–	–	–	–	–	(1,563)	(1,563)
Transfers	<u>650,000</u>	<u>(650,000)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 August 2014	<u>24,040,683</u>	<u>–</u>	<u>170,215</u>	<u>35,837</u>	<u>130,833</u>	<u>81,271</u>	<u>24,458,839</u>
<b>Depreciation</b>							
At 1 September 2013	412,032	–	6,686	2,582	27,687	13,298	462,285
Charged in year	408,300	–	10,744	5,713	38,464	13,082	476,303
Disposals	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(469)</u>	<u>(469)</u>
At 31 August 2014	<u>820,332</u>	<u>–</u>	<u>17,430</u>	<u>8,295</u>	<u>66,151</u>	<u>25,911</u>	<u>938,119</u>
<b>Net book values</b>							
At 31 August 2014	<u>23,220,351</u>	<u>–</u>	<u>152,785</u>	<u>27,542</u>	<u>64,682</u>	<u>55,360</u>	<u>23,520,720</u>
At 31 August 2013	<u>19,950,335</u>	<u>–</u>	<u>87,218</u>	<u>23,727</u>	<u>57,888</u>	<u>48,077</u>	<u>20,167,245</u>

**14. Investments**

	2014 £
<b>Cost</b>	
At 1 September 2013	–
Additions	<u>1</u>
At 31 August 2014	<u>1</u>
<b>Net book value</b>	
At 31 August 2014	<u>1</u>
At 31 August 2013	<u>–</u>

	Class of Share	Percentage Holding	Nature of Business
Ascent Extra Limited	Ordinary	100%	Dormant

The Ascent Academies Trust purchased 100% of the share capital in Ascent Extra Limited on 29 August 2014. Ascent Extra Limited was dormant in the period to 31 August 2014 therefore generated a nil profit or loss and had capital and reserves of £1 at 31 August 2014.



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**15. Stock**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Stationery stocks	<u>2,200</u>	<u>2,000</u>

**16. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	20,045	26,713
VAT recoverable	138,725	87,984
Prepayments and accrued income	<u>526,646</u>	<u>192,375</u>
	<u>685,416</u>	<u>307,072</u>

All amounts shown within debtors fall due for repayment within one year.

**17. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	862,531	370,176
Tax and social security	102,165	56,618
Accruals and deferred income	<u>172,206</u>	<u>90,281</u>
	<u>1,136,902</u>	<u>517,075</u>

**Deferred income**

Deferred income at 1 September 2013	12,977	–
Amount released from previous year	(12,977)	–
Incoming resources deferred in the year	<u>37,178</u>	<u>12,977</u>
Deferred Income at 31 August 2014	<u>37,178</u>	<u>12,977</u>

At the balance sheet date the Trust holds funding received in advance in respect of swimming lessons sponsorship capacity grants, business media funding and school trips.

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**18. Funds**

	Balance at 1 September 2013 £	Transfer on Conversion £	Income resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	293,368	–	3,946,196	(3,818,527)	(290,847)	130,190
Other DfE/EFA grants	–	–	332,329	(332,329)	–	–
Local Authority grants	–	–	2,433,665	(2,433,665)	–	–
Other income	–	–	29,331	–	(29,331)	–
	<u>293,368</u>	<u>–</u>	<u>6,741,521</u>	<u>(6,584,521)</u>	<u>(320,178)</u>	<u>130,190</u>
Pension reserve	(1,733,000)	(257,000)	–	9,000	229,000	(1,752,000)
	<u>(1,439,632)</u>	<u>(257,000)</u>	<u>6,741,521</u>	<u>(6,575,521)</u>	<u>(91,178)</u>	<u>(1,621,810)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	107,321	–	–	(35,730)	320,178	391,769
Assets transferred from Local Authority	<u>20,059,924</u>	<u>2,859,600</u>	<u>650,000</u>	<u>(440,573)</u>	<u>–</u>	<u>23,128,951</u>
	<u>20,167,245</u>	<u>2,859,600</u>	<u>650,000</u>	<u>(476,303)</u>	<u>320,178</u>	<u>23,520,720</u>
<b>Total restricted funds</b>	<u>18,727,613</u>	<u>2,602,600</u>	<u>7,391,521</u>	<u>(7,051,824)</u>	<u>229,000</u>	<u>21,898,910</u>
<b>Unrestricted funds</b>						
General funds	<u>1,288,453</u>	<u>51,678</u>	<u>347,098</u>	<u>(136,013)</u>	<u>–</u>	<u>1,551,216</u>
	<u>20,016,066</u>	<u>2,654,278</u>	<u>7,738,619</u>	<u>(7,187,837)</u>	<u>229,000</u>	<u>23,450,126</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE/EFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy.

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**18. Funds (continued)**

**Analysis of Academies' by fund balance**

Final balances as at 31 August 2014 were allocated as follows:

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Portland Academy	510,557	491,912
Barbara Priestman Academy	941,983	913,627
Springwell Dene Academy	162,349	161,434
Castlegreen Academy	31,814	–
Central Services	<u>34,703</u>	<u>14,848</u>
 Total before fixed assets and pension reserve	 <u>1,681,406</u>	 <u>1,581,821</u>
 Restricted fixed asset fund	 23,520,720	 20,167,245
Pension reserve	<u>(1,752,000)</u>	<u>(1,733,000)</u>
 Total	 <u>23,450,126</u>	 <u>20,016,066</u>

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

	<b>Teaching &amp; Educational Support Staff Costs £</b>	<b>Other Support Staff Costs £</b>	<b>Educational Supplies £</b>	<b>Other costs (excluding depreciation) £</b>	<b>Total 2014 £</b>
Portland Academy	2,056,719	447,798	127,427	343,746	2,975,690
Barbara Priestman Academy	1,469,001	260,683	143,002	227,076	2,099,762
Springwell Dene Academy	846,147	126,721	38,176	143,969	1,155,013
Castlegreen Academy	130,534	21,223	55,902	41,221	248,880
Central Services	<u>21,400</u>	<u>82,101</u>	<u>9,688</u>	<u>119,000</u>	<u>232,189</u>
 Academy Trust	 <u>4,523,801</u>	 <u>938,526</u>	 <u>374,195</u>	 <u>875,012</u>	 <u>6,711,534</u>

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**19. Analysis of net assets between funds**

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	–	1	23,520,720	23,520,721	20,167,245
Current assets	1,551,216	1,267,091	–	2,818,307	2,098,896
Current liabilities	–	(1,136,902)	–	(1,136,902)	(517,075)
Pension scheme liability	–	(1,752,000)	–	(1,752,000)	(1,733,000)
<b>Total net assets</b>	<b>1,551,216</b>	<b>(1,621,810)</b>	<b>23,520,720</b>	<b>23,450,126</b>	<b>20,016,066</b>

**20. Capital Commitments**

	2014 £	2013 £
Contracted for, but not provided in the financial statements	–	–

**21. Financial Commitments**

**Operating Leases**

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Other</b>		
Expiring within one year	–	979
Expiring within two and five years inclusive	4,281	4,549
Expiring in over five years	–	–
	<b>4,281</b>	<b>5,528</b>

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**22. Reconciliation of net income to net cash inflow from operating activities**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net incoming resources for the year	3,205,060	20,145,066
Depreciation (note 13)	476,303	462,285
Donated assets	(650,000)	–
Interest receivable	(2,252)	(1,458)
Transfer from Local authority on conversion	(2,654,278)	(19,963,539)
FRS pension finance (income)/cost	(9,000)	14,000
Increase in stock	(200)	(2,000)
(Increase) in debtors	(378,344)	(307,072)
Increase in creditors	<u>619,827</u>	<u>517,075</u>
Net cash inflow from operating activities	<u>607,116</u>	<u>864,357</u>

**23. Returns on investments and servicing of finance**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interest received	<u>2,252</u>	<u>1,458</u>

**24. Capital expenditure and financial investment**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	321,272	117,313
Receipts from sale of fixed assets	<u>(1,093)</u>	<u>–</u>
	<u>320,179</u>	<u>117,313</u>

**25. Analysis of changes in net funds**

	<b>At 1 September 2013</b>	<b>Cash flows £</b>	<b>At 31 August 2014</b>
	<b>£</b>		<b>£</b>
Cash in hand and at bank	<u>1,789,824</u>	<u>340,867</u>	<u>2,130,691</u>

**26. Members' Liabilities**

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.

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**27. Pension and similar obligations**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by The Tyne & Wear Pension Fund. Both are defined-benefit schemes.

As described in note 29, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement scheme valuations had been suspended since the last valuation in 2004.

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

**THE ASCENT ACADEMIES' TRUST**  
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**27. Pension and similar obligations (*continued*)**

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

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

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer contribution rate of 16.4% from September 2015 and an employer cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £327,000.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

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**27. Pension and similar obligations (*continued*)**

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. All funds are included in the Tyne and Wear Pension fund, a combined valuation for all schools in the trust has been obtained and details noted below relate to the Trust collectively. The total contribution made for the year ended 31 August 2014 was £420,000 of which employer's contributions totalled £333,000 and employees' contributions totalled £87,000. The agreed contributions to the fund for the year ended 31 August 2015 are £354,000.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	3.6%	4.7%
Rate of increase for pensions in payment	2.1%	2.8%
Discount rate for scheme liabilities	3.7%	4.5%
Inflation assumption (CPI)	2.1%	2.8%
Commutation of pensions to lump sums		
• past service pension entitlements	50%	50%
• future service pension entitlements	75%	75%

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

	<b>At 31 August 2014</b>	<b>At 1 August 2013</b>
<i>Retiring today</i>		
Males	23.0	21.7
Females	24.6	23.9
<i>Retiring in 20 years</i>		
Males	25.0	23.5
Females	26.9	25.8



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**27. Pension and similar obligations (continued)**

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 (£)	Expected return at 31 August 2013	Fair value at 31 August 2013 (£)
Equities	7.5%	3,073,056	7.9%	2,325,672
Government bonds	2.9%	164,628	3.4%	125,712
Corporate bonds	3.3%	525,895	4.1%	405,072
Property	6.8%	416,143	7.4%	310,788
Cash	1.1%	118,898	0.9%	80,316
Other	7.5%	274,380	7.9%	244,440
Total market value of assets		4,573,000		3,492,000
Present value of scheme liabilities		<u>(6,325,000)</u>		<u>(5,225,000)</u>
<b>Deficit in the scheme</b>		<u>(1,752,000)</u>		<u>(1,733,000)</u>

The Ascent Academies' Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each class over the actual assets allocation for the Fund at 31 August 2014.

The actual return on scheme assets was £269,000.

**Amounts recognised in the statement of financial activities**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £100,000 gain.

	2014 £	2013 £
Current service cost (net of employee contributions)	336,000	316,000
Past service cost	—	—
<b>Total operating charge</b>	<u>336,000</u>	<u>316,000</u>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	260,000	196,000
Interest on pension liabilities	<u>(248,000)</u>	<u>(201,000)</u>
<b>Net return / (charge)</b>	<u>12,000</u>	<u>(5,000)</u>

**THE ASCENT ACADEMIES' TRUST**  
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**27. Pension and similar obligations (*continued*)**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 September	5,225,000	–
Transfer on conversion Portland College / Barbara Priestman School	–	4,118,000
Increase from acquisitions – transfer on conversion Springwell Dene School	–	304,000
Increase from acquisitions – transfer on conversion Castlegreen	748,000	–
Current service cost	336,000	316,000
Employee contributions	87,000	82,000
Actuarial (gain)/loss	(220,000)	334,000
Interest cost	248,000	201,000
Net benefits paid out	<u>(99,000)</u>	<u>(130,000)</u>
<b>At 31 August</b>	<b><u>6,325,000</u></b>	<b><u>5,225,000</u></b>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 September	3,492,000	–
Transfer on conversion Portland College / Barbara Priestman School	–	2,622,000
Increase from acquisitions – transfer on conversion Springwell Dene School	–	210,000
Increase from acquisitions – transfer on conversion Castlegreen	491,000	–
Expected return on assets	260,000	196,000
Actuarial gain	9,000	205,000
Employer contributions	333,000	307,000
Employee contributions	87,000	82,000
Net benefits paid out	<u>(99,000)</u>	<u>(130,000)</u>
<b>At 31 August</b>	<b><u>4,573,000</u></b>	<b><u>3,492,000</u></b>

The estimated value of employer contributions for the year ended 31 August 2015 is £354,000 (2014: £296,000).

Castlegreen Academy joined the Trust on 1 July 2014. The movement in the pension fund has been accounted for in the Actuary's reports as an increase in assets and liabilities from acquisition. The liabilities have been calculated on assumptions at 1 September 2013, and the notional transfer of assets has been calculated from the funding level of Castlegreen Academy at 1 July 2014. This has resulted in an increase to the net liability of £257,000.

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. Pension and similar obligations (*continued*)**

The five year history of experience adjustments is as follows:

	As at 31 August 2014 £	As at 31 August 2013 £
Present value of defined benefit obligations	(6,325,000)	(5,225,000)
Fair value share of scheme assets	<u>4,573,000</u>	<u>3,492,000</u>
<b>Deficit in the scheme</b>	(1,752,000)	(1,733,000)
<b>Experience adjustments on share of scheme assets</b>		
Amount £	<u>9,000</u>	<u>205,000</u>
<b>Experience adjustments on scheme liabilities</b>		
Amount £	(17,000)	–

**28. Related Party Transactions**

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

**THE ASCENT ACADEMIES' TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. Conversion to an academy trust**

The following school converted to Academy Trust status under the Academies Act 2010 on the following dates:

<b>Predecessor School</b>	<b>Conversion Date</b>	<b>Local Authority</b>
Castlegreen Community School	01/07/2014	Sunderland City Council

All the operations and assets and liabilities were transferred to The Ascent Academies' Trust from Sunderland City Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	<b>Unrestricted funds</b>	<b>Restricted general funds</b>	<b>Restricted fixed asset funds</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	–	–	2,859,600	2,859,600
Budget surplus on LA funds	38,922	–	–	38,922
Budget surplus on school fund	12,756	–	–	12,756
LGPS pension deficit	–	(257,000)	–	(257,000)
<b>Net assets/(liabilities)</b>	<b>51,678</b>	<b>(257,000)</b>	<b>2,859,600</b>	<b>2,654,278</b>

The above net assets include £51,678 that was transferred as cash.

All leasehold properties transferred from the local authority were transferred on 125 year lease agreements.

**30. Post Balance Sheet Events**

At 31 August 2014 the Trust were involved in the consultation process with regards to the conversion of Ash Trees School to academy status.

The school converted to academy status and joined the trust on 1 November 2014.

**THE ASCENT ACADEMIES' TRUST**  
**INDEPENDENT AUDITOR'S REPORT ON REGULARITY**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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In accordance with the terms of our engagement letter dated 2 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Ascent Academies' Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Ascent Academies' Trust and the EFA in accordance with the terms of our engagement letter dated April 2014. Our work has been undertaken so that we might state to the Ascent Academies' Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Ascent Academies' Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of the Ascent Academies' Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Ascent Academies Trust's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**THE ASCENT ACADEMIES' TRUST**  
**INDEPENDENT AUDITOR'S REPORT ON REGULARITY**  
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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baker Tilly UK Audit LLP*

**BAKER TILLY UK AUDIT LLP**

Chartered Accountants  
Ferryboat Lane  
Sunderland  
SR5 3JN

Date: 3 DECEMBER 2014