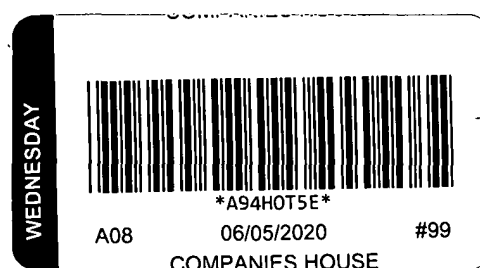


THE ASCENT ACADEMIES' TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2019



The Ascent Academies' Trust

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The Ascent Academies' Trust

Reference and Administrative Details

Members	P Makin V Milnes C Short (resigned 12 December 2018) Dame D Smith M Morris (appointed 12 December 2018) M Butler (appointed 5 February 2019) J Torgersen (resigned 12 December 2018)
Trustees (Directors)	N Hurn OBE, Chair C Morgan, CEO N Hudspeth V Milnes R Patel P Watson P Wright (resigned 28 March 2019) R Whorlton D Barker S Steele M Quinn (resigned 11 October 2018) G Jobes (appointed 15 January 2019)
Executive Leadership Team	C Morgan, CEO M Little, COO R Hargreaves, Executive Head Teacher S Limb, Executive Head Teacher
Principal and Registered Office	The Ascent Academies' Trust Portland Academy Weymouth Road Chapelgarth Sunderland SR3 2NQ
Company Name	The Ascent Academies' Trust
Company Registration Number	08098007
Auditors	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank PLC 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Ward Hadaway 102 Quayside Newcastle upon Tyne NE1 3DX

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019

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

The Trust operates 4 special academies in the North East of England. Its Academies, spanning 3 local authorities and across 5 sites, have a combined pupil roll of approximately 689 students.

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 charitable company is known as The Ascent Academies' 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:

Ash Trees Academy - Bowes Road, Billingham, TS23 2BU

Ash Trees Academy – Rievaulx Avenue, Billingham, TS23 2BQ

Barbara Priestman Academy - Meadowside, Sunderland, SR2 7QN

Hope Wood Academy – Crawlaw Road, Easington, SR8 3LP

New Bridge Academy Upper Site - Craigshaw Road, Sunderland, SR5 3NF (until December 2018 when the academy was transferred to Trinity Academy Trust)

Portland Academy - Weymouth Road, Sunderland, SR3 2NQ

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.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Trustees' Indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy 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 Academy 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 as 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 Academy Trust.

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business through ESFA's RPA scheme which provides cover up to £10,000,000.

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 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 Chief Executive) who are employees of the Trust, does not exceed one third of the total number of Trustees. There was 1 staff Trustee who served throughout the period, this was the Chief Executive.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent or an individual exercising parental responsibility of a pupil at one of the academies at the time they were elected. There were 2 Parent Trustees who served during the period, of which one resigned in November 2018 and 1 was appointed in January 2019. There is currently 1 Parent Trustee vacancy which Trustees are looking to appoint to in the Spring term 2020, following the next annual governance review.

The Trustees may appoint 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 are given an induction at the commencement of their post. The Trust performs an annual skills audit of Trustees and, when any gaps are identified, training courses are offered to address these issues. Statutory guidance is also adhered to and linked to relevant training in areas, for example, Prevent and Keeping Children Safe in Education.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The Governance structure implemented in 2017/18 continued throughout the 2018/19 academic year. A self-review and evaluation of the effectiveness of the Board is planned to be undertaken in December 2019.

One new Trustee joined the Board during 2018/19 providing additional knowledge and experience from the legal sector. The new appointment also brings environment and sustainability knowledge and views, further strengthening our experienced Board of Trustees.

Organisational Structure

The Board of Trustees had overall responsibility and was ultimately accountable for all the academies within the Trust. They held to account the Chief Executive Officer (CEO), Deputy Chief Executive (DCEO) and Executive Head Teachers. Powers were delegated from the Board via a scheme of delegation and decision matrix which is reviewed in each of the Trust's committee meetings.

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

The Board of Trustees and Standards Committee were responsible for the setting and review of the curriculum, monitoring the standards and performance of each of the individual academies.

The Board of Trustees and the Finance, Risk and Resources Committee were responsible for the financial sustainability of Trust, financial management and control, the efficient and effective use of resources and effectively managing risk.

During 2018/19, the Executive Leadership Team consisted of the CEO, DCEO/COO and Executive Head Teachers. The team led and managed the Trust at an executive level, steering the direction of the academies in line with strategic plans and developing opportunities.

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

During the year, as part of the financial management strategy, there was a full restructure of the Executive Leadership Team and all central services. This restructure was planned in response to the change in the size of the Trust and to secure the financial sustainability of all academies and the Trust overall in the future. Overall there was a reduction to the size of the Executive Team and all centrally based services and functions.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The remuneration of the key management personnel is determined by the Pay and Review Committee from which the CEO is excluded in relation to discussion of their remuneration. The Committee is guided by a formal report and supported by an external HR partner ensuring that all available relevant information is considered including legislative obligations, teaching and support pay scales in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the proposed costs and ability to pay.

Trade Union Facility Time

In 2018/19 there were no employees of the Trust who were also union representatives. Consequently, there is no data with regards to facility time and its associated costs to report.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Related Parties and Other Connected Charities and Organisations

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

Objectives and Activities

Mission Statement

The principal objective of the Trust is the provision of exceptional 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, sharing expertise and resources, we have improved the curriculum and outcomes for pupils across the Trust within all key stages.

In the past year the Trust has made progress in a number of key areas. These have included:

- Supporting work to develop shared curriculum and assessment strategy providing a common language and systems Trust wide.

During the last year, ongoing work has continued with the strengthening of the Challenge Partner Hub network. This has developed well and is impacting on Trust practice and support

- from other senior leaders in our Quality Assurance reviews. The Peer Reviews carried out by Challenge Partners have been really helpful in developing clarity for senior leaders about next steps for improvement.

- The Trust continues to be alert to opportunities to contribute to regional, national and international activity and in the future may act as a sponsor for other special schools or academies in the region, where a carefully considered plan has been agreed.

- Schools/academies that join our Trust would benefit from the mutual support and challenge provided by the Trust. However, we are very much aware of the need to ensure that all of our Academies continue with their improvement journey and are securely good or better. We are currently evaluating all our academies at good or better.

- We have also begun to develop a national network of partners through membership of Schools North East, Challenge Partners and FLSE. The latter gives us access to the SEND forum that is a group of leading representatives from SEND groups nationally.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

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

Values:

- **We have high expectations of ourselves and our pupils and celebrate our achievements.**
- **We embrace difference, celebrate diversity and promote equality.**
- **We continually learn in order that we can respond to the needs of our young people and we continually improve through sharing and creating best practice models.**
- **We build impactful collaborations in our staff team across the Trust, with parents and with wider partnerships.**
- **We respect each person's distinctive contribution and develop their talents and work productively together.**

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Our aims for 2019/20 include improvements within the following areas:

High Expectations for our young people;

- Shared curriculum, assessment and reporting systems across core subjects.
- Ensuring that student well-being is of paramount importance in each academy.
- To ensure that we continue to build on collaborative relationships outside of the Trust through Challenge Partners.
- To support more meaningful engagement with young people and their families in the Education Health Care Plan and process (EHCP).

Promotion of equality and diversity;

- Work on recruitment and selection processes to collect and analyse relevant data.
- Monitor the Trust's Public Sector Equality duty and ensure that our aims are achieved.

Continuous Learning:

- We will continue to deliver a range of CPD opportunities to staff at all levels in order that we have the right expertise in classrooms, grow future leaders and expert practitioners and meet all our mandatory training requirements.
- Continue to provide professional development to Trustees.
- Support staff who wish to pursue post graduate courses.

Continual Improvement;

- We will work closely with other special academies, regionally and nationally to improve our provision through the 'Challenge Partners' programme.
- Within the Trust we will continue the highly successful collaborative work on all aspects of provision.

Working together productively:

The Trust is committed to supporting and listening to its staff; the third staff Health and Well-Being survey was undertaken in the spring of 2018, with a 30% increase in replies from the previous year. The following areas would be a focus for 2018/19;

- Improvements in staff attendance; support schemes are in place such as Occupational Health provision, return to work meetings.
- Well-being working groups lead by the Head of Academy in each school.
- A continued focus on work-load reduction.
- All academies working towards the 'Better Health at Work Award-silver'.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Public Benefit

The Trustees have complied with their duty in Section 4 of the Charities Act 2011, 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

The Trust now offers a shared core curriculum for all its students and over the last year has continued to build strong collaborative working to enable pupils and staff to share resources and expertise.

The Trust has focused on implementing a number of key strategic areas during the year. This has included the following activity;

- A focus on developing good practice in autism provision
- Development of person centred planning across the Trust
- Growth of our Challenge Partner hub to increase our network of schools
- A continued focus on pupil attendance and a reduction in persistent absentees
- A continued focus on reducing staff absence rates
- Development of clear career based expectations for teachers to support the improvement of teaching across the Trust
- Growth of provision in Barbara Priestman Academy and development of a new site located at Thornhill Academy.

The Trust's strategic ambitions remain broadly the same:

- Be judged to be good or outstanding by Ofsted;
- Offer a dynamic, shared curriculum that supports academic progress, emotional well-being and the development of independence and preparation for next steps;
- Be high performing and improving academies that continuously respond to the changing needs of their populations;
- Work in partnership with one another to offer shared curriculum, staffing, facilities and resources;
- Actively seek out opportunities to support the development of staff across the Trust;
- Improve the well-being and attendance of its staff and students;
- Be supported with high quality specialist resources;
- Continue to have effective financial management;
- Respond to local need in SEND, growing the Trust in a considered and measured way.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Academy Specific Information

The following section provides basic information about each Academy. Detailed performance information can be found on the Trust's web-site.

Ash Trees Academy

Background

- Ash Trees is a primary special needs Academy.
 - Ash Trees became a sponsored Academy and part of The Ascent Academies' Trust in November 2014.
 - Number on roll: 152.
 - Ash Trees Academy is situated in Billingham, it is the only primary special school in Stockton.
 - Pupils attending the Academy all have statements of SEN or have received an Education Health and Care Plan.
- The academy is split over 2 sites and pupil numbers have been steadily increasing since joining the Trust in 2014.
- The academy is currently working closely with Stockton Borough Council to develop and create an EYFS provision for 6-8 pupils from September 2020.
- Due to the increase in numbers and the EYFS plans, the academy will be looking to seek approval to expand the age range and place numbers in advance of next academic year.

Most recent Ofsted judgement

An Ofsted inspection in September 2017 judged the academy to be soundly good.

Number of staff (full time equivalent)

Teachers – 20.7

Support staff – 44.37

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Barbara Priestman Academy

Background

- Barbara Priestman became an Academy in August 2012 as one of the founding academies of The Ascent Academies' Trust.
- Barbara Priestman is a secondary special needs Academy for students aged 11-19 with ASD and complex needs.
- Barbara Priestman is located in Sunderland.
- Numbers on roll: 154 and includes a 16-19 provision.
- Pupils attending the academy all have statements of SEN or have received an Education Health and Care Plan.
- Pupil numbers have steadily increased as local demand for ASD specialist provision has grown.
- The academy worked closely with Together for Children and a neighbouring secondary academy and successfully set up a new satellite provision for the sixth form pupils. The new sixth form centre is based on the Thornhill Academy site in Sunderland and opened on the 1st September 2019.

Most recent Ofsted judgement

An Ofsted inspection in November 2018 confirmed and upheld the academy's good judgement.

Number of staff (full time equivalent)

Teachers – 24.3

Support staff – 29.75

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Hope Wood Academy

Background

- The Academy was sponsored by the Trust and joined Ascent in November 2015.
Hope Wood caters for the full range of special educational needs for pupils aged 2-19 years old.
- The Academy is situated in Easington in County Durham.
- Numbers on roll: 209 during 2018/19, including a 16-19 provision.
- Pupils attending the academy all have statements of SEN or have received an Education Health and Care Plan.
- Pupil numbers on roll have significantly increased since the Academy was sponsored and brought into the Trust and continue to rise. The sixth form provision has grown by a further 5 places from September 2019.
- There are discussions underway with Durham County Council regarding future growth and pupil numbers in the future, including exploring additional accommodation.

Most recent Ofsted judgement

An Ofsted inspection in September 2018 judged the Academy to be good overall with outstanding judgements for 'leadership and management' and 'behaviour and safety'.

Number of staff (full time equivalent)

Teachers – 30.3

Support staff – 45.44

Portland Academy

Background

- Portland became an Academy in August 2012 as one of the founding academies of The Ascent Academies' Trust.
Portland is a secondary special needs Academy designated for students with severe and profound learning difficulties. A growing number of pupils also have an additional diagnosis on the Autism Spectrum.
- Portland is based in the south of Sunderland and the vast majority of pupils reside in Sunderland.
- Numbers on roll: 174 and includes a 16-19 provision.
- Pupils range in age from 11 to 19, with approximately one third of pupils in the 16-19 age group.
- Pupils attending the academy all have statements of SEN or have received an Education Health and Care Plan.
- Pupil numbers have steadily increased over the past couple of years. Proposals regarding future growth, an increase in capacity and pupil numbers in the future are underway.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Most recent Ofsted judgement

Portland Academy has recently been inspected and is now a good academy with several outstanding aspects. This most recent inspection places all our academies in good or better Ofsted judgements.

Number of staff (full time equivalent)

Teachers – 24.2

Support staff – 47.95

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 and the progress that they make.

The medium term financial planning for the Trust has proved very challenging due to future uncertainties in relation to funding and significant increases in staffing costs regarding teachers' pay and pension costs. Forecast increases in costs have been met with some short term additional funding but the medium to long term funding position is uncertain. Changes in grant regimes and ongoing pressures on Education budgets have continued to impact on special educational needs funding, which is affecting the Trust.

The Finance Risk and Resources Committee has developed robust financial plans and a strategy to ensure that the Trust is responsive to funding pressures and increasing costs over the next couple of years to ensure finances are managed effectively, monitored closely and spending is focused on our key aim of improving pupil progress. This includes the setting of a balanced budget for all academies, including savings targets, and the generation of academy specific reserves levels equivalent to policy (reserve policy 5% of annual income).

Over the past year the academies have had to make savings and efficiencies to address the continued reduction in government funding, primarily the reduction in the Education Services Grant, and mitigate the cost pressures of inflation and staff pay increases. During the year there have been savings achieved by all the academies through collaborative working across the Trust. These efficiencies have resulted from the sharing of staffing, sharing and recycling resources, joint procurement, central consolidated reporting and economies of scale through working together as one organisation. Savings generated (time and money) have been reinvested in each of the academies. Through collaboration, the Trust is able to add further value to the provision on offer through the employment of specialists across the MAT.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Using the School Resource Management Self-Assessment Tool, a data dashboard has been produced for each academy to enable benchmarking, both internally within the Trust and using the national data. Benchmarking and RAG rating against the thresholds was very positive with no red or amber areas to focus on. More detailed Integrated Curriculum Financial Planning (ICFP) work is currently being undertaken by the Trust's own School Resource Management Advisor (SRMA) to explore in more detail further benchmarking metrics to demonstrate performance and identify any further areas for improvement.

The level of resources held by the Trust overall is an indicator of financial performance. This is under constant review by Trustees and planned to be maintained at 5% of annual income. Each academy in the Trust and the Trust overall achieved a surplus outturn position for 2018/19, including restructure costs, further demonstrating finance performance. Following a significant staffing restructure, the Trust has recently submitted a positive 3 year budget forecast to the ESFA, demonstrating financial sustainability and robust financial planning and management. Other financial indicators for comparison and benchmarking are being developed.

The key non-financial performance indicators of the Trust relate to the achievements and performance of students within the individual Academies. This information is reported to Trustees and a summary of the key performance indicators is reviewed on a regular basis.

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 Trust's income for the year of account is obtained from either the ESFA (Education and Skills 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 ended 31 August 2019 total expenditure of £15,202,000 (excluding loss on disposal of fixed assets) was in excess of grant funding from the ESFA, commissioned place income from Local Authorities, other incoming resources and reserves. The excess of expenditure over income for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £1,028,000.

At 31 August 2019 the net book value of fixed assets was £36,872,000. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

Under accounting standard FRS 102, 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 £9,574,000 which has been carried forward to 2019/20. 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.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Reserves Policy

The Finance Risk and Resources Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts that are presented to Trustees. At 31 August 2019 the value of reserves that were freely available to the Trust was £637,000.

The Trust has plans for the use of reserves which relate to the Trust's strategic plan and priorities. However, given the significant financial pressures facing schools and academies and the uncertainties around grant funding, the current reserves level is being maintained to provide the Trust with financial stability for the foreseeable future.

The Trust has a reserves policy which is reviewed by Trustees alongside budget outturn projections, medium term financial plans and cash flow forecasts. The policy specifies minimum reserve balances equivalent to 5% of total budgeted annual income. At present this would represent circa £0.63m, which is in line with the current Trust balances. This is an area which is being closely monitored.

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 and traded until 31st August 2018. The company has not traded throughout the 2018/19 period.

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.

The full risk register is reviewed on a termly basis by the Finance Risk and Resources Committee and a plan of any supplementary procedures or actions are agreed to review the controls in place to mitigate and manage such risks effectively.

Where significant financial risks remain, the Trust has ensured it has adequate insurance/liability cover. The Trust opted in to the Government's Risk Protection Arrangements for liability cover, any supplementary items requiring insurance are covered by separate arrangements with other providers. The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The principal strategic risks and uncertainties facing the Trust in the future continue to be predominately centred around finance. Increases in Teachers pay and pension costs are not sustainable without additional funding. Additional grants are currently being provided but there is uncertainty regarding the future. Medium term financial planning is difficult without funding certainties or guarantees.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The on-going changes to High Needs Funding, the processes in which the Academies receive their primary source of income from the ESFA/DfE and local commissioners of Special Educational Needs places/provision, are fundamental areas to be monitored closely. As Local Authorities attempt to balance their High Needs Block Funding, top up funding is squeezed and methodologies for calculating and providing funding changed. The outcome of future funding reforms and how Local Authorities are dealing with funding reductions continues to generate further uncertainties and potential future risks.

Capital funding for our academies continues to be an issue with SEND academies being disadvantaged by the current allocation and distribution process. Our current Devolved Formula Capital allocation is insufficient to meet maintenance costs, leaving funding for all condition issues to be a further squeeze and pressure on revenue budgets whilst applying for Condition Improvement Funding. Whilst we have had some success through this process, our building condition issues and risks far outweigh our funding.

These key areas are being strictly monitored, reviewed and managed continuously by the Trust to understand the financial implications and enable action to be taken to address them, if and when necessary. These financial related challenges and risks are being discussed with Trustees regularly.

Local Authorities not meeting statutory deadlines and responding to changes in pupil needs continues to cause additional financial pressures in academies. Whilst the EHCPs are intended to bring fairer and more transparent pupil basis funding, when these are reviewed annually, some LAs are not addressing additional needs and changes quickly enough and funding isn't provided to meet pupil needs. This is bringing further budget pressures. Again this is being closely monitored to understand how we can either mitigate or smooth financial pressures and turbulence, but further action continues to be required to address these with commissioners.

As the Trust has sponsorship status, as part of our strategic plan and growth strategy, we will work with other academies to either support or sponsor them in the future. Any of these support models or growth plans have risks and uncertainties, through either bringing new academies into the Trust or stretching internal capacity. From experience the Trust has robust models for undertaking full due diligence on new ventures and always adopts a risk aware approach. These risks may be financial but also may include reputational risks.

Sunderland LA were successful in their bid to operate a new Special Free School. This school is planned to open in 2020 and will cater for pupils with ASD and challenging behaviour. The opening of this new school may have implications on staff retention for the Trust or affect commissioned places for Barbara Priestman Academy. The Trust will monitor this closely and include any implications into financial plans and forecasts.

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 25 to the financial statements, represents a significant potential liability. However, the Trust considers 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 2013.

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.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Fundraising

The Trust and its Academies ensure fundraising conforms to standards set out by the Charity Commission and there have been no complaints received this year in respect of any fundraising activity or how the proceeds of such are used.

The Trust and its Academies do not employ or use any third party or private company to raise funds, and do not place undue pressure to donate on individuals, groups or other donors.

Disabled Employees

The Trust agreed and published its Equality Statement and Objectives in order to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. This sets out the Trust's commitment to ban unfair treatment and achieve equal opportunities in the classroom, the workplace, in wider society, and to embed equality considerations in day to day practice.

The duty to have "due regard" to equality considerations means that whenever significant decisions are being made or policies developed, thought will be given to the equality implications. Our policy sets out that as an employer, "the Trust will not discriminate against a potential employee in respect of whether to offer a job or the terms on which a position is offered and must not discriminate against an existing employee in respect of the benefits, facilities and services offered to employees, including training opportunities, promotion or dismissal".

All academies are required to prepare and publish specific and measurable objectives to demonstrate how the Trust's Equality Objectives are being met. This includes the objective to continue to address workforce-based equality issues by conforming to agreed Human Resource procedures on appointments, promotions and other employment issues, whilst always appointing the best.

As a Trust we ensure that our recruitment process is fully inclusive and accessible. We display our Disability Confident badge to ensure potential applicants know that we are an inclusive employer. We ensure that there are reasonable adjustments in the workplace where a disabled person would otherwise be put at a substantial disadvantage compared with other colleagues. Our Disability Confident accreditation requires the Trust as an employer to commit to offering disabled people 1 of 9 activities. At present, we have committed to three areas: work experience, paid employment and apprenticeships.

We have employed several former students into posts within our academies in a variety of roles. In addition, we are increasing the number of apprenticeship opportunities, of which 2 are being undertaken by former students.

Employee Involvement

During 2018/19 the Trust has engaged with its employees through a broad variety of mechanisms to ensure that they are fully aware and consulted on any matters affecting them. These include Trust wide working groups, joint training days and CPD, CEO briefings in each academy every term and regular whole staff meetings in each academy.

Each academy has engaged with staff to improve well-being through a Trust wide strategy. These groups have been active for over two years and are developing their own unique response to well-being and workload management.

The Ascent Academies' Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

There have been appropriate levels of communication and consultation in terms of the recent restructure and the start of workforce remodelling. This has ensured that staff are knowledgeable about change and can contribute to the process.

All teaching staff were consulted about career based expectations and relevant CPD was delivered to support teachers' understanding of the relevant expectations.

Staff representatives were invited on to the Local Accountability Bodies (LAB) last year.

Plans for Future Periods

The Trust plans to continue to provide exceptional education to young people with special educational needs.

In expanding the SEND provision on offer to local young people, the Trust is working with a number of partners to develop new ventures and opportunities including the nursery provision at Ash Trees Academy and the options around additional accommodation for Hope Wood Academy.

We plan to continue to work closely with the DfE and the Regional Commissioner to support and sponsor other schools and academies in the future when this is in line with the Trust's vision. This sponsorship may be on a support basis or as a full sponsor and incorporate additional schools into the Trust in time.

We continue to communicate positively with potential partners and potential new academies who may wish to join our Trust or engage with us in re-thinking a wider network of special academies.

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.

We are developing wider networks both regionally and nationally which is helping to get our Trust on the map, contribute to income generation and enables us to have a voice in championing the needs of SEND. This is being supported by plans to develop the public face of Ascent and what we do.

Funds Held as Custodian on Behalf of Others

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

Auditor

In so far as the trustees are aware:

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

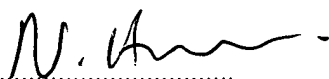
The Ascent Academies' Trust

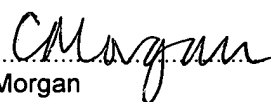
Trustees' Report for the Year Ended 31 August 2019 (continued)

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 10/12/19 and signed on its behalf by:


.....
N Hurn OBE
Trustee


.....
C Morgan
Trustee

The Ascent Academies' Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Ascent Academies' 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 had delegated the day-to-day responsibility to the Chief Executive, Mrs C Morgan, 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. The CEO is 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 whole Board of Trustees has formally met 3 times during the year ended 31 August 2019. Trustees' attendance at Committee meetings during the year was as follows:

	Board of Trustees	Finance, Risk and Resources Committee	Standards Committee	Pay & Review Committee
N Hurn (Chair of Trustees)	3/3		1/2	
R Patel (Vice Chair of Trustees, Chair of Finance and Pay & Review)	2/3	4/4	1/2	1/1
L Watson (Chair of Standards)	1/3		1/2	
C Morgan (CEO)	3/3	2/4	2/2	0/1
D Barker	1/3		2/2	
N Hudspeth	2/3	4/4		1/1
V Milnes	3/3	4/4		1/1
S Steele	2/3	3/4		1/1
R Whorlton	2/3	2/4		1/1
P Wright	2/2	2/3		1/1
G Jobses	1/1	0/1		

The external governance review undertaken last year has been monitored and reflected upon to help ensure recommendations have been implemented where possible during this year. Developments have been made in the Trust's regional and national presence and through involvement and networking of the CEO. The Trust is part of 'Challenge Partners' a practitioner led educational charity consisting of a collaboration of schools sharing best practice and quality assuring processes in place across the Trust. Enhanced support and challenge from Link Trustees is evident and impact reported back to committee meetings and the board. A further self-evaluation of Governance is due to be undertaken in the Autumn term 2019.

The Ascent Academies' Trust

Governance Statement (continued)

The year-end membership of the Board of Trustees consisted of ten Trustees. The Articles of Association for the company limit the maximum number to fifteen so there are currently five potential vacancies if deemed required. The Board will review its skills audit as part of the forthcoming review to inform what skills, qualities and expertise is required before filling any of the current vacancies and increasing the capacity of the Board.

The performance of the board and its effectiveness is assessed based on attendance levels, challenge given and impact. This can be demonstrated from registers, notes and minutes from meetings and in particular the outcome and comments from the latest Ofsted inspections which have judged Leadership and Management including Governance as Outstanding. The information provided to Trustees is regularly reviewed to ensure it is fit for purpose, accurate and effective. Data provided is challenged and externally reviewed as part of robust quality assurance and validation processes that are in place.

Review of Value for Money

As accounting officer, the Chief Executive had responsibility for ensuring that the Trust delivered good value in the use of public resources during the period. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the tax payers' resources received.

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

- Continuously reviewing contracts and services across all academies to ensure best value. This includes challenging if the service is still required and what impact this brings to the academy or how the service may be delivered more efficiently or effectively, including either outsourcing or bringing functions in house. Savings are captured through joint procurement involving each of the academies in the Trust and, where appropriate, with other local schools and academies. Examples of this during the period include specialist services and therapists, support providers, facilities maintenance service level agreements and renegotiated contract rates when using external contractors;
- Collaboration of the academies is often sought to achieve greater buying power and generate economies of scale. Examples of this during the period include the use of external contractors for maintenance work and savings on IT contracts, telephones, new software and support services;
- Joined up working since the Trust was formed has reduced duplication and enabled central policies and procedures to be adopted ensuring consistent and efficient processes are in operation. This has been embedded over the last couple of years and is now common practice;
- Contracts have been taken in house where better value for money can be achieved and, by redirecting resources to staffing, the Trust has been able to tailor more bespoke support services to the academies resulting in better value. An example of this last year was catering service at Hope Wood Academy. The reverse is also true in some scenarios where we have achieved more efficient use of resources from contracting out services. Examples include the cleaning services at Hope Wood Academy in 2018/19 and more recently the cleaning provision at Portland Academy from October 2019;
- Sharing assets across the Trust has ensured more efficient use of resources, saving money and giving maximum return to the Trust. Over the last year this has included staffing, transport, premises, specialist equipment and resources;

The Ascent Academies' Trust

Governance Statement (continued)

- Sharing staffing resources and appointing specific posts to work across the Trust rather than in individual academies has saved money but more importantly increased capacity and expertise. This has included specialist support staff, business support staff and also teaching and class based staff, enabling the Trust to be more flexible over the year to respond to the specific needs in each academy. In addition, joint recruitment between the academies reduces duplication and saves staff time;

The Trust continued to maximise all funding opportunities and income generation through proactive working during the year. The academies explore all opportunities to generate additional income including grant claims, hire of facilities, offering support to other schools and academies and providing training. During the period the Trust were successful with one Condition Improvement Fund (CIF) grant application securing £113,000 additional external funding for investment in the boilers and heating system at Hope Wood Academy.

- The Trust has a clear and continual focus on securing best value for money and maximising the use of the academies' resources.

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 period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Risk and Resources 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;

The Ascent Academies' Trust

Governance Statement (continued)

- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and have appointed MHA Tait Walker to provide a programme of supplementary procedures. A programme is in place with an agreed and regularly reviewed work plan being used to report back to the Finance Risk and Resources Committee on a termly basis. The schedule of work has been undertaken for the period and there are no significant or material control issues arising as a result of this review to report.

The supplementary procedures carried out include giving advice on financial matters and performing a range of checks on the Trust's Financial Statements. In particular, checks carried out in the period included:

- Testing of ESFA, DfE & Local Authority income;
- Testing of purchasing & payments systems;
- Testing of bank, petty cash, and debit card use;
- Testing of payroll systems and HR procedures;
- Testing of financial systems; and
- Testing of policies which are in place at the Academies.

Review of Effectiveness

As Accounting Officer, the Chief Executive has had 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 Finance Risk and Resources Committee;
- the results of supplementary procedures undertaken;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Executive Leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

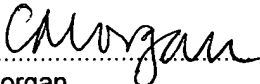
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Risk and Resources Committee and a plan to ensure continuous improvement of the system is in place.

The Ascent Academies' Trust

Governance Statement (continued)

Approved by order of the members of the Governing Body on 10/12/19 and signed on its behalf by:


.....
N Hurn OBE
Trustee


.....
C Morgan
Accounting officer
Trustee

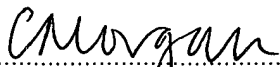
The Ascent Academies' Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Ascent Academies' Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



C Morgan, CEO
Accounting officer

Date: 10/12/19

The Ascent Academies' Trust

Statement of Trustees' Responsibilities

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

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

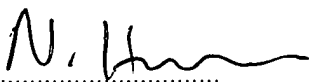
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

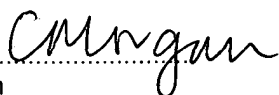
The trustees are responsible for ensuring that in its conduct and operation the charitable company and group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE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

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

Approved by order of the members of the Board on 19/12/19 and signed on its behalf by:



N Hurn OBE
Trustee



C Morgan
Trustee

The Ascent Academies' Trust

Independent Auditor's Report on the Financial Statements to the Members of The Ascent Academies' Trust

Opinion

We have audited the financial statements of The Ascent Academies' Trust (the 'academy trust') and its subsidiaries (the 'group') for the year ended 31 August 2019, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report the Governance Statement the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Ascent Academies' Trust

Independent Auditor's Report on the Financial Statements to the Members of The Ascent Academies' Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent academy trust, 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The Ascent Academies' Trust

Independent Auditor's Report on the Financial Statements to the Members of The Ascent Academies' Trust (continued)

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

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

The Ascent Academies' Trust

Independent Reporting Accountant's Report on Regularity to The Ascent Academies' Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ascent Academies' Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

The Ascent Academies' Trust

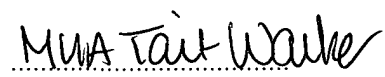
Independent Reporting Accountant's Report on Regularity to The Ascent Academies' Trust and the Education & Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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


MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 17th December 2019

MHA Tait Walker is a trading name of Tait Walker LLP.

The Ascent Academies' Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Donations and capital grants	2	218	-	186	404
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	81	13,333	-	13,414
Other trading activities	4	80	-	-	80
Investments	5	1	-	-	1
Total		<u>380</u>	<u>13,333</u>	<u>186</u>	<u>13,899</u>
Expenditure on:					
Raising funds	6	153	-	-	153
<i>Charitable activities:</i>					
Academy trust educational operations		124	14,126	952	15,202
Transfer of academy out of trust		-	338	6,546	6,884
Total		<u>277</u>	<u>14,464</u>	<u>7,498</u>	<u>22,239</u>
Net income/(expenditure)		103	(1,131)	(7,312)	(8,340)
Transfers between funds		(109)	-	109	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	25	-	(3,419)	-	(3,419)
Net movement in deficit		(6)	(4,550)	(7,203)	(11,759)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>643</u>	<u>(5,024)</u>	<u>44,047</u>	<u>39,666</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>637</u>	<u>(9,574)</u>	<u>36,844</u>	<u>27,907</u>

The Ascent Academies' Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Donations and capital grants	2	141	-	446	587
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	74	14,360	-	14,434
Other trading activities	4	404	-	-	404
Investments	5	1	-	-	1
Total		620	14,360	446	15,426
Expenditure on:					
Raising funds	6	96	-	-	96
<i>Charitable activities:</i>					
Academy trust educational operations		196	15,650	3,786	19,632
Total		292	15,650	3,786	19,728
Net income/(expenditure)		328	(1,290)	(3,340)	(4,302)
Transfers between funds		(825)	500	325	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,483	-	1,483
Net movement in (deficit)/funds		(497)	693	(3,015)	(2,819)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		1,140	(5,717)	47,062	42,485
Total funds/(deficit) carried forward at 31 August 2018		643	(5,024)	44,047	39,666

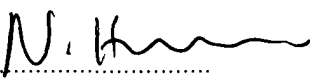
The Ascent Academies' Trust

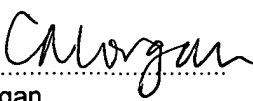
(Registration number: 08098007)

Consolidated Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	12	36,872	44,061
Current assets			
Stocks	14	4	5
Debtors	15	649	812
Cash at bank and in hand		893	1,689
		<u>1,546</u>	<u>2,506</u>
Creditors: Amounts falling due within one year	16	<u>(833)</u>	<u>(1,877)</u>
Net current assets		<u>713</u>	<u>629</u>
Total assets less current liabilities		37,585	44,690
Creditors: Amounts falling due after more than one year	17	<u>(104)</u>	<u>-</u>
Net assets excluding pension liability		37,481	44,690
Pension scheme liability	25	<u>(9,574)</u>	<u>(5,024)</u>
Net assets including pension liability		<u>27,907</u>	<u>39,666</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund	18	36,844	44,047
Restricted pension fund	18	<u>(9,574)</u>	<u>(5,024)</u>
		27,270	39,023
Unrestricted funds			
Unrestricted income fund	18	<u>637</u>	<u>643</u>
Total funds		<u>27,907</u>	<u>39,666</u>

The financial statements on pages 31 to 68 were approved by the trustees, and authorised for issue on 10/12/19 and signed on their behalf by:


 N Hurn OBE
 Trustee


 C Morgan
 Trustee

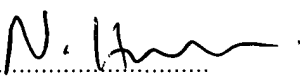
The Ascent Academies' Trust


(Registration number: 08098007)

Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	12	36,872	44,056
Current assets			
Stocks	14	4	5
Debtors	15	649	834
Cash at bank and in hand		893	1,660
		<u>1,546</u>	<u>2,499</u>
Creditors: Amounts falling due within one year	16	<u>(833)</u>	<u>(1,868)</u>
Net current assets		<u>713</u>	<u>631</u>
Total assets less current liabilities		37,585	44,687
Creditors: Amounts falling due after more than one year	17	<u>(104)</u>	<u>-</u>
Net assets excluding pension liability		37,481	44,687
Pension scheme liability	25	<u>(9,574)</u>	<u>(5,024)</u>
Net assets including pension liability		<u>27,907</u>	<u>39,663</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund	18	36,844	44,047
Restricted pension fund	18	<u>(9,574)</u>	<u>(5,024)</u>
		27,270	39,023
Unrestricted funds			
Unrestricted income fund	18	<u>637</u>	<u>640</u>
Total funds		<u>27,907</u>	<u>39,663</u>

The financial statements were approved by the trustees, and authorised for issue on 10/12/19 and signed on their behalf by:


 N Hurn OBE
 Trustee


 C Morgan
 Trustee

The Ascent Academies' Trust

Consolidated Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(674)	(3,313)
Cash flows from investing activities	22	<u>(122)</u>	<u>2,296</u>
Change in cash and cash equivalents in the year		(796)	(1,017)
Cash and cash equivalents at 1 September		<u>1,689</u>	<u>2,706</u>
Cash and cash equivalents at 31 August	23	<u>893</u>	<u>1,689</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

The Ascent Academies Trust meets the definition of a public benefit under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Academy Trust and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities (incorporating the income and expenditure account) is published, a separate statement of financial activities (incorporating the income and expenditure account) for the parent Academy Trust is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The Academy Trust made a deficit of £11,755,000 (2018 - £2,856,000).

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), Where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accrual basis.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances 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.

Asset class

Leasehold property
Plant and equipment
Motor vehicles
Furniture and equipment
Computer equipment

Depreciation method and rate

10 - 50 years straight line
3 years straight line
5 years straight line
10 years straight line
3 years straight line

Liabilities

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

Provisions

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

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

Leased assets

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

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Investments

The Academy's shareholding in the wholly owned subsidiary, Ascent Extra Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering 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 Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Defined Benefit Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The company has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £952,000 (2018 - £1,159,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Subsidiary undertaking

The financial statements include the results of Ascent Extra Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 13. Profits generated by the subsidiary will be passed to the academy via gift aid.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Educational trips and visits	35	-	35	52
Capital grants	-	186	186	446
Other donations	183	-	183	89
	<u>218</u>	<u>186</u>	<u>404</u>	<u>587</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	
Total 2018	<u>141</u>	<u>446</u>	<u>587</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants				
General Annual Grant GAG	-	7,194	7,194	8,128
Other ESFA Group grants	-	496	496	486
	<u>-</u>	<u>7,690</u>	<u>7,690</u>	<u>8,614</u>
Other government grants				
Local authority grants	-	5,615	5,615	5,746
Non-government grants and other income				
Other income from the academy trusts educational operations	81	28	109	74
Total grants	<u>81</u>	<u>13,333</u>	<u>13,414</u>	<u>14,434</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>74</u>	<u>14,360</u>	<u>14,434</u>	

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Hire of facilities	3	3	5
Other sales	77	77	162
Subsidiary income	-	-	237
	<u>80</u>	<u>80</u>	<u>404</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>404</u>	<u>404</u>	

5 Investment income

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Short term deposits	<u>1</u>	<u>1</u>	<u>1</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1</u>	<u>1</u>	

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2019	2018
	£ 000	£ 000	£ 000	£ 000	£ 000
Expenditure on raising funds - direct costs	147	-	6	153	96
Academy's educational operations					
Direct costs	9,259	820	363	10,442	11,701
Allocated support costs	3,119	561	1,080	4,760	7,931
Transfer of academies out of trust	-	-	6,884	6,884	-
	<u>12,525</u>	<u>1,381</u>	<u>8,333</u>	<u>22,239</u>	<u>19,728</u>

	Non Pay Expenditure			Total
	Staff costs	Premises	Other costs	2018
	£ 000	£ 000	£ 000	£ 000
Total 2018	<u>13,328</u>	<u>1,833</u>	<u>4,567</u>	<u>19,728</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£ 000	£ 000
Operating lease rentals	1	7
Depreciation	952	1,159
Fees payable to auditor - audit	12	12
Fees payable to auditor - other audit services	3	3
Gain/(loss) on disposal of fixed assets	<u>(6,546)</u>	<u>-</u>

7 Charitable activities

	2019	2018
	£ 000	£ 000
Direct costs - educational operations	10,442	11,701
Support costs - educational operations	<u>4,760</u>	<u>7,931</u>
	<u>15,202</u>	<u>19,632</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities (continued)

	Educational operations £ 000	2019 £ 000	2018 £ 000
Analysis of support costs			
Support staff costs	3,119	3,119	3,070
Depreciation	132	132	169
Technology costs	66	66	87
Premises costs	429	429	677
Other support costs	889	889	3,794
Governance costs	125	125	134
Total support costs	<u>4,760</u>	<u>4,760</u>	<u>7,931</u>

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	8,597	9,462
Social security costs	777	862
Operating costs of defined benefit pension schemes	<u>2,326</u>	<u>2,076</u>
	11,700	12,400
Supply staff costs	636	775
Staff restructuring costs	<u>189</u>	<u>153</u>
	<u>12,525</u>	<u>13,328</u>
	2019 £ 000	2018 £ 000
Staff restructuring costs comprise:		
Redundancy payments	68	-
Severance payments	<u>121</u>	<u>153</u>
	<u>189</u>	<u>153</u>

The subsidiary undertaking incurred total staff costs of £nil (2018 – £147,146).

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2018 - £152,806).

Staff numbers

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

	2019 No.	2018 No.
Charitable Activities		
Teachers	86	107
Administration and support	265	306
Management	20	22
	<u>371</u>	<u>435</u>

Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£100,001 - £110,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £531,975 (2018 - £829,133).

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 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 academy trust charges for these services on the following basis:

Each academy pays the Trust 4.00% (2018: 4.00%) of school budget to fund central services.

The actual amounts charged during the year were as follows:

	2019 £ 000	2018 £ 000
Portland Academy	126	125
Barbara Priestman Academy	101	92
Ash Trees Academy	109	103
Hope Wood Academy	139	125
Newbridge Academy	-	74
	<u>475</u>	<u>519</u>

10 Related party transactions - Trustees' remuneration and expenses

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

C Morgan (CEO):

Remuneration: £100,000 - £105,000 (2018 - £105,000 - £110,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 26.

11 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Tangible fixed assets

Group

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
Cost						
At 1 September 2018	47,588	404	151	443	47	48,633
Additions	215	44	-	50	5	314
Disposals	<u>(7,034)</u>	<u>(23)</u>	<u>(30)</u>	<u>(99)</u>	<u>(7)</u>	<u>(7,193)</u>
At 31 August 2019	<u>40,769</u>	<u>425</u>	<u>121</u>	<u>394</u>	<u>45</u>	<u>41,754</u>
Depreciation						
At 1 September 2018	3,931	162	112	327	40	4,572
Charge for the year	820	60	16	53	3	952
Eliminated on disposals	<u>(541)</u>	<u>(9)</u>	<u>(25)</u>	<u>(61)</u>	<u>(6)</u>	<u>(642)</u>
At 31 August 2019	<u>4,210</u>	<u>213</u>	<u>103</u>	<u>319</u>	<u>37</u>	<u>4,882</u>
Net book value						
At 31 August 2019	<u>36,559</u>	<u>212</u>	<u>18</u>	<u>75</u>	<u>8</u>	<u>36,872</u>
At 31 August 2018	<u>43,657</u>	<u>242</u>	<u>39</u>	<u>116</u>	<u>7</u>	<u>44,061</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Tangible fixed assets (continued)

Academy Trust

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
Cost						
At 1 September 2018	47,588	397	151	437	47	48,620
Additions	215	44	-	50	5	314
Disposals	<u>(7,034)</u>	<u>(16)</u>	<u>(30)</u>	<u>(93)</u>	<u>(7)</u>	<u>(7,180)</u>
At 31 August 2019	<u>40,769</u>	<u>425</u>	<u>121</u>	<u>394</u>	<u>45</u>	<u>41,754</u>
Depreciation						
At 1 September 2018	3,931	159	112	322	40	4,564
Charge for the year	820	60	16	53	3	952
Eliminated on disposals	<u>(541)</u>	<u>(6)</u>	<u>(25)</u>	<u>(56)</u>	<u>(6)</u>	<u>(634)</u>
At 31 August 2019	<u>4,210</u>	<u>213</u>	<u>103</u>	<u>319</u>	<u>37</u>	<u>4,882</u>
Net book value						
At 31 August 2019	<u>36,559</u>	<u>212</u>	<u>18</u>	<u>75</u>	<u>8</u>	<u>36,872</u>
At 31 August 2018	<u>43,657</u>	<u>238</u>	<u>39</u>	<u>115</u>	<u>7</u>	<u>44,056</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Investments

Group

The Academy Trust owns 100% of the Ordinary shares of Ascent Extra Limited, a company incorporated in England & Wales. The principal activity of the company is that of education for students aged 19 to 25, allowing continuity for academy pupils. In addition, the company provides specific or bespoke training to the Academy Trust for a low cost. Turnover for the year ended 31 August 2019 was £Nil, expenditure was £3,574 and the profit/(loss) for the year was (£3,574). The assets of the company at 31 August 2019 were £5, liabilities were £Nil and capital and reserves were £5.

The registered office of Ascent Extra Limited is:

The Ascent Academies' Trust

Portland Academy

Weymouth Road

Chapelgarth

Sunderland

SR3 2NQ

14 Stock

	2019	Group	Academy Trust
	2018	2019	2018
	£ 000	£ 000	£ 000
Other	4	5	4

15 Debtors

	2019	Group	Academy Trust
	2018	2019	2018
	£ 000	£ 000	£ 000
Trade debtors	61	114	61
VAT recoverable	188	157	188
Prepayments and accrued income	400	541	400
Balances due from related entities	-	-	-
	649	812	649

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Creditors: amounts falling due within one year

	2019	Group	2019	Academy Trust
	£ 000	2018	£ 000	2018
		£ 000		£ 000
Trade creditors	289	714	289	712
Other taxation and social security	186	188	186	188
Other creditors	28	174	28	174
Accruals	133	517	133	510
Deferred income	35	113	35	113
Pension scheme creditor	162	171	162	171
	<u>833</u>	<u>1,877</u>	<u>833</u>	<u>1,868</u>

Group

	2019	2018
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2018	113	77
Resources deferred in the period	35	113
Amounts released from previous periods	<u>(113)</u>	<u>(77)</u>
Deferred income at 31 August 2019	<u>35</u>	<u>113</u>

At the balance sheet date, the Academy Trust was holding funds received in advance in respect of Local Authority Top Up fees and Universal Infant Free School Meals.

Academy Trust

	2019	2018
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2018	113	77
Resources deferred in the period	35	113
Amounts released from previous periods	<u>(113)</u>	<u>(77)</u>
Deferred income at 31 August 2019	<u>35</u>	<u>113</u>

At the balance sheet date, the Academy Trust was holding funds received in advance in respect of Local Authority Top Up fees and Universal Infant Free School Meals.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Creditors: amounts falling due after one year

	2019 £ 000	Group 2018 £ 000	2019 £ 000	Academy Trust 2018 £ 000
Other creditors	104	-	104	-

Loans of £35,651 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan (Ash Trees Academy) - Interest free loan repayable through GAG in 6-monthly instalments of £2,228 from March 2019.

Loans of £16,721 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan (Barbara Priestman Academy) - Interest free loan repayable through GAG in 6-monthly instalments of £1,858 from March 2019.

Loans of £34,500 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan (Portland Academy) - Interest free loan repayable through GAG in 6-monthly instalments of £2,156 from September 2019.

Loans of £37,177 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan (Hope Wood Academy) - Interest free loan repayable through GAG in 6-monthly instalments of £3,380 from March 2019.

18 Funds

Group

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant	-	7,194	(7,194)	-	-
Other DfE/ESFA Grants	-	496	(496)	-	-
Other Grants	-	5,643	(5,643)	-	-
	-	13,333	(13,333)	-	-
Restricted fixed asset funds					
Transfer on conversion	44,047	186	(7,498)	109	36,844
Restricted pension funds					
Pension reserve	(5,024)	-	(1,131)	(3,419)	(9,574)
Total restricted funds	39,023	13,519	(21,962)	(3,310)	27,270
Unrestricted funds					
Unrestricted funds	643	380	(277)	(109)	637
Total funds	39,666	13,899	(22,239)	(3,419)	27,907

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant	-	8,128	(8,628)	500	-
Other DfE/ESFA Grants	-	486	(486)	-	-
Other Grants	-	5,746	(5,746)	-	-
	<u>-</u>	<u>14,360</u>	<u>(14,860)</u>	<u>500</u>	<u>-</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	300	-	(300)	-	-
Transfer on conversion	46,762	446	(3,486)	325	44,047
	<u>47,062</u>	<u>446</u>	<u>(3,786)</u>	<u>325</u>	<u>44,047</u>
Restricted pension funds					
Pension reserve	(5,717)	-	(790)	1,483	(5,024)
Total restricted funds	<u>41,345</u>	<u>14,806</u>	<u>(19,436)</u>	<u>2,308</u>	<u>39,023</u>
Unrestricted funds					
Unrestricted funds	<u>1,140</u>	<u>620</u>	<u>(292)</u>	<u>(825)</u>	<u>643</u>
Total funds	<u>42,485</u>	<u>15,426</u>	<u>(19,728)</u>	<u>1,483</u>	<u>39,666</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 Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA 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 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 Trust.

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £ 000	2018 £ 000
Ascent Extra Limited	-	3
Trust	637	640
Total before fixed assets and pension reserve	637	643
Restricted fixed asset fund	36,844	44,047
Pension reserve	(9,574)	(5,024)
Total	27,907	39,666

The Academy Trust has made the decision with effect from 31 August 2018 that any funds held by an individual Academy will be transferred to the central fund to carry forward into future periods.

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Portland Academy	2,322	741	49	548	3,659
Barbara Priestman Academy	1,788	649	62	482	2,981
Ash Trees Academy	2,099	546	74	396	3,115
Hope Wood Academy	2,611	756	62	482	3,910
New Bridge Academy	198	18	1	367	585
Central services	241	483	7	(360)	370
Academy Trust	9,259	3,193	255	1,915	14,620

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Funds (continued)

Expenditure incurred by each Academy during the prior year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2018 £ 000
Portland Academy	2,174	604	40	600	3,418
Barbara Priestman Academy	1,744	391	90	815	3,040
Ash Trees Academy	1,978	397	57	641	3,073
Hopewood Academy	2,380	575	89	755	3,799
New Bridge Academy	1,514	342	16	738	2,610
Ascent Extra Limited	-	-	-	54	54
Trust	219	355	6	122	702
Academy Trust	10,009	2,664	298	3,725	16,696

19 Analysis of net assets between funds

Group

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	36,872	36,872
Current assets	1,450	-	96	1,546
Current liabilities	(813)	-	(20)	(833)
Creditors over 1 year	-	-	(104)	(104)
Pension scheme liability	-	(9,574)	-	(9,574)
Total net assets	637	(9,574)	36,844	27,907

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	5	-	44,056	44,061
Current assets	2,506	-	-	2,506
Current liabilities	(1,868)	-	(9)	(1,877)
Pension scheme liability	-	(5,024)	-	(5,024)
Total net assets	643	(5,024)	44,047	39,666

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Analysis of net assets between funds (continued)

Academy Trust

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Fixed assets	-	-	36,872	36,872
Current assets	1,450	-	96	1,546
Current liabilities	(813)	-	(20)	(833)
Creditors due in more than one year	-	-	(104)	(104)
Pension liability	-	(9,574)	-	(9,574)
	<u>637</u>	<u>(9,574)</u>	<u>36,844</u>	<u>27,907</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	44,056	44,056
Current assets	2,499	-	-	2,499
Current liabilities	(1,859)	-	(9)	(1,868)
Pension scheme liability	-	(5,024)	-	(5,024)
Total net assets	<u>640</u>	<u>(5,024)</u>	<u>44,047</u>	<u>39,663</u>

20 Commitments under operating leases

Group

Operating leases - group

At 31 August 2019 the group had annual commitments under non-cancellable operating leases as follows:

	2019 £ 000	2018 £ 000
Amounts due within one year	<u>-</u>	<u>1</u>

Academy Trust

Operating leases - company

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	<u>-</u>	<u>1</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	Note	2019 £ 000	2018 £ 000
Net expenditure		(8,340)	(4,302)
Depreciation	6	952	1,159
Capital grants from DfE and other capital income		(186)	(446)
Interest receivable	5	(1)	(1)
Defined benefit pension scheme cost less contributions payable	25	999	655
Defined benefit pension scheme finance cost	25	132	135
Decrease/(increase) in stocks		1	(3)
Decrease in debtors		163	52
Decrease in creditors		(940)	(562)
Loss on disposal of tangible fixed assets		6,546	-
Net cash used in Operating Activities		<u>(674)</u>	<u>(3,313)</u>

22 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(314)	(781)
Proceeds from sale of tangible fixed assets	5	2,630
Capital funding received from sponsors and others	186	446
Net cash (used in)/provided by investing activities	<u>(122)</u>	<u>2,296</u>

23 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	893	1,689
Total cash and cash equivalents	<u>893</u>	<u>1,689</u>

24 Members' liability

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

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 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 Aon Hewitt Limited. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £162,000 (2018 - £171,000) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, 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' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,123,214 (2018: £1,186,687).

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

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

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local government pension schemes Durham County Council Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £220,000 (2018 - £182,000), of which employer's contributions totalled £167,000 (2018 - £136,000) and employees' contributions totalled £53,000 (2018 - £46,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by Aon Hewitt Limited.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	3.00	3.10

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

	2019	2018
Retiring today		
Males retiring today	22.30	23.30
Females retiring today	23.80	25.00
Retiring in 20 years		
Males retiring in 20 years	24.00	25.50
Females retiring in 20 years	25.70	27.30

Sensitivity analysis

	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	5,386	3,881
Discount rate -0.1%	5,721	4,123
Mortality assumption – 1 year increase	5,366	3,885
Mortality assumption – 1 year decrease	5,739	4,115
CPI rate +0.1%	5,621	4,050
CPI rate -0.1%	5,483	3,951

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

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

	2019 £ 000	2018 £ 000
Equities	1,244	1,007
Corporate bonds	288	272
Government bonds	633	519
Property	177	141
Cash and other liquid assets	123	137
Total market value of assets	<u>2,465</u>	<u>2,076</u>

The actual return on scheme assets was £229,000 (2018 - £77,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	281	247
Past service cost	133	-
Interest income	(60)	(48)
Interest cost	112	97
Total amount recognised in the SOFA	<u>466</u>	<u>296</u>

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

	2019 £ 000	2018 £ 000
At start of period	4,000	3,854
Current service cost	281	256
Interest cost	112	97
Employee contributions	53	46
Actuarial (gain)/loss	1,032	(226)
Benefits paid	(60)	(27)
Past service cost	133	-
At 31 August	<u>5,551</u>	<u>4,000</u>

Changes in the fair value of academy trust's share of scheme assets:

	2019 £ 000	2018 £ 000
At start of period	2,076	1,844
Interest income	60	48
Actuarial gain/(loss)	169	29
Employer contributions	167	136
Employee contributions	53	46
Benefits paid	(60)	(27)
At 31 August	<u>2,465</u>	<u>2,076</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Tyne & Wear Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £443,000 (2018 - £512,000), of which employer's contributions totalled £317,000 (2018 - £366,000) and employees' contributions totalled £126,000 (2018 - £146,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by Aon Hewitt Limited.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.00</u>	<u>3.10</u>

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	25.10	26.40
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>26.90</u>	<u>28.70</u>

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	13,760	10,920
Discount rate -0.1%	14,457	11,473
Mortality assumption – 1 year increase	13,639	10,878
Mortality assumption – 1 year decrease	14,575	11,509
CPI rate +0.1%	14,249	11,308
CPI rate -0.1%	<u>13,961</u>	<u>11,080</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

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

	2019 £ 000	2018 £ 000
Equities	6,414	6,278
Corporate bonds	1,116	1,042
Government bonds	401	372
Property	842	791
Cash and other liquid assets	206	205
Other	813	614
Total market value of assets	<u>9,792</u>	<u>9,302</u>

The actual return on scheme assets was £602,000 (2018 - £237,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	607	727
Past service cost	293	-
Interest income	(265)	(222)
Interest cost	313	275
Total amount recognised in the SOFA	<u>948</u>	<u>780</u>

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

	2019 £ 000	2018 £ 000
At start of period	11,193	10,978
Transferred out on existing academies leaving the trust	(403)	-
Current service cost	607	770
Interest cost	313	275
Employee contributions	126	146
Actuarial (gain)/loss	2,126	(838)
Benefits paid	(151)	(138)
Past service cost	293	-
At 31 August	<u>14,104</u>	<u>11,193</u>

Changes in the fair value of academy trust's share of scheme assets:

	2019 £ 000	2018 £ 000
At start of period	9,301	8,690
Transferred out on existing academies leaving the trust	(403)	-
Interest income	265	222
Actuarial gain/(loss)	337	15
Employer contributions	317	366
Employee contributions	126	146
Benefits paid	(151)	(138)
At 31 August	<u>9,792</u>	<u>9,301</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Teeside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £218,000 (2018 - £204,000), of which employer's contributions totalled £163,000 (2018 - £151,000) and employees' contributions totalled £55,000 (2018 - £53,000). The agreed contribution rates for future years are per cent for employers and per cent for employees. The scheme is managed by Aon Hewitt Limited.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.00	3.00
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.00</u>	<u>3.10</u>

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	23.80	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>25.70</u>	<u>27.30</u>

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	5,258	4,021
Discount rate -0.1%	5,524	4,225
Mortality assumption – 1 year increase	5,209	4,004
Mortality assumption – 1 year decrease	5,572	4,241
CPI rate +0.1%	5,472	4,161
CPI rate -0.1%	<u>5,307</u>	<u>4,083</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

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

	2019 £ 000	2018 £ 000
Equities	2,455	2,127
Property	270	224
Cash and other liquid assets	408	525
Other	80	38
Total market value of assets	<u>3,213</u>	<u>2,914</u>

The actual return on scheme assets was £115,000 (2018 - £147,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	263	282
Past service cost	69	-
Interest income	(84)	(68)
Interest cost	116	101
Total amount recognised in the SOFA	<u>364</u>	<u>315</u>

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

	2019 £ 000	2018 £ 000
At start of period	4,122	4,071
Current service cost	263	282
Interest cost	116	101
Employee contributions	55	53
Actuarial (gain)/loss	798	(296)
Benefits paid	(34)	(89)
Past service cost	69	-
At 31 August	<u>5,389</u>	<u>4,122</u>

Changes in the fair value of academy trust's share of scheme assets:

	2019 £ 000	2018 £ 000
At start of period	2,914	2,652
Interest income	84	68
Actuarial gain/(loss)	31	79
Employer contributions	163	151
Employee contributions	55	53
Benefits paid	(34)	(89)
At 31 August	<u>3,213</u>	<u>2,914</u>

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Chameleon Vocational Training Limited

(a company related by M Quinn being both a Trustee of The Ascent Academy Trust and a director and majority shareholder of Chameleon Vocational Training Limited)

The company purchased training totalling £nil (2018 - £540).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Chameleon Vocational Training Limited was £Nil (2018 - £Nil).

Gateshead College Foundation

(a company related by N Hudspeth being both a Trustee of The Ascent Academies Trust and a Director of Gateshead College Foundation)

The company purchased Health and Safety totalling £nil (2018 - £600).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Gateshead College Foundation was £Nil (2018 - £Nil).

Schools North East

(a company related by L Watson being both a Trustee of The Ascent Academies Trust and a director of Schools North East.)

The company purchased training totalling £315 (2018 - £nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Schools North East was £Nil (2018 - £Nil).

The Springboard Charity

(a charity related by D Barker being both a Trustee of The Ascent Academies Trust and a Trustee of the Springboard Charity.)

The charity purchased room hire totalling £12,000 (2018 - £nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost' and The Springboard Charity has provided a statement of assurance confirming this.

At the balance sheet date the amount due to The Springboard Charity was £Nil (2018 - £Nil).

Income related party transactions

During the year the academy trust made the following related party transactions:

The Ascent Academies' Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

26 Related party transactions (continued)

Beaumont Hill Academy

(a company related by R Patel being both a Trustee of The Ascent Academy Trust and a Trustee of Beaumont Hill Academy.)

The academy trust provided training totalling £400 (2018 - £nil).

Voluntary Organisation's Network North East (VONNE)

(a company related by D Barker being both a Trustee of The Ascent Academy Trust and a Director of VONNE.)

The academy trust provided refreshments totalling £44 (2018 - £nil).

Horizons Trust

(a company related by D Smith being both a Trustee of The Ascent Academy Trust and a Trustee of Horizons Trust.)

The academy trust received donations of £62 (2018 - £nil).

The Springboard Charity

(a charity related by D Barker being both a Trustee of The Ascent Academies Trust and a Trustee of The Springboard Charity.)

The academy trust received income of £85,033 (2018 £nil) in the year.

27 Transfer out on academies leaving the Trust

New Bridge Academy

	Transfer out on academies leaving the trust £ 000
Tangible fixed assets	
Leasehold land and buildings	6,492
Plant and machinery	1
Furniture and equipment	10
Computer equipment	37
Motor vehicles	5
	<hr/> 6,545
Other assets	
Cash in bank and in hand	<hr/> 338
Net assets	<hr/> <hr/> 6,883