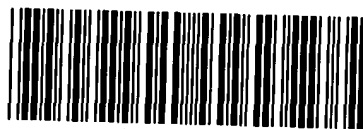


# THE ASCENT ACADEMIES' TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements  
for the Year Ended 31 August 2018

THURSDAY



A16 \*A7L6NL1C\*  
20/12/2018 #321  
COMPANIES HOUSE

# **The Ascent Academies' Trust**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 17
Governance Statement	18 to 22
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees' Responsibilities	24
Independent Auditor's Report on the Financial Statements	25 to 28
Independent Reporting Accountant's Report on Regularity	29 to 30
Consolidated Statement of Financial Activities incorporating Income and Expenditure Account	31 to 32
Consolidated Balance Sheet	33
Balance Sheet	34
Consolidated Statement of Cash Flows	35
Notes to the Financial Statements	36 to 74

# **The Ascent Academies' Trust**

## **Reference and Administrative Details**

<b>Members</b>	P Makin V Milnes C Short Dame D Smith J Torgersen
<b>Trustees (Directors)</b>	N Hurn OBE, Chair C Morgan, CEO (appointed 1 September 2017) N Hudspeth V Milnes R Patel P Watson P Wright R Whorlton (appointed 20 December 2017) D Barker (appointed 17 April 2018) S Steele (appointed 31 July 2018) J Duncan (resigned 1 November 2017) L Clelland (resigned 1 November 2017) M Morris (resigned 27 February 2018) S Blair (resigned 15 March 2018) K Armstrong (resigned 6 June 2018) M Quinn (resigned 11 November 2018)
<b>Executive Leadership Team</b>	C Morgan, CEO M Little, Deputy CEO R Ireland, Executive Head Teacher Y Limb, Executive Head Teacher
<b>Principal and Registered Office</b>	The Ascent Academies' Trust Portland Academy Weymouth Road Chapelgarth Sunderland SR3 2NQ
<b>Company Name</b>	The Ascent Academies' Trust
<b>Company Registration Number</b>	08098007
<b>Auditors</b>	Tait Walker LLP Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Lloyds Bank PLC 102 Grey Street Newcastle upon Tyne NE1 6AG

## **The Ascent Academies' Trust**

### **Reference and Administrative Details (continued)**

<b>Solicitors</b>	Ward Hadaway 102 Quayside Newcastle upon Tyne NE1 3DX
-------------------	--

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a Trustees' report and directors' report under company law.

The Trust operates 5 special academies in the North East of England. Its Academies have a combined pupil roll of approximately 780 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, Peterlee, SR8 3LP

New Bridge Academy Upper Site - Craigshaw Road, Sunderland, SR5 3NF

New Bridge Academy Lower Site - Swindon Road, Sunderland, SR3 4EE (until May 2018 when the site was returned to Sunderland Local Authority)

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 2018 (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 the majority the period. Two new parent Trustees are to be appointed in the Autumn term 2018.

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.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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

All new Trustees are given a comprehensive 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 Governance structure implemented at the start of 2017/18 continued throughout the academic year. A self-review and evaluation of the effectiveness of the Board would be taken in Autumn 2018.

Three new Trustees joined the Board during 2017/18 providing additional knowledge and experience in Human Resources, Education, Facilities and Health and Safety, further strengthening our experienced Board of Trustees. Our new Educationalist Trustee is a CEO in a local community development and training charity and has been a 'Champion' for disability for over 25 years gaining a MBE for services in this area.

### **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.

During the year, the Executive Leadership Team consisted of the CEO, DCEO 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.

### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The remuneration of the key management personnel is determined by the Pay 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 2017-18 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 2018 (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 across all key stages.

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

- Providing strategic clear direction to all academies and where academies are under performing in any way. The Trust has provided additional support and challenge to ensure that rapid improvements have been made and sustained. This is evidenced by the improvements made at Hope Wood Academy and Ash Trees Academy (our 2 sponsor academies), both of which have been judged to be good over the last year.
- During the last year ongoing work has continued with the strengthening of the work of Executive Leaders who work in partnership with one another to challenge, support and provide quality assurance to all Academies. This is evident in the peer support and challenge provided in termly Quality Assurance reviews and Local Accountability Body meetings.
- 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 which 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.
- As part of the Trust's vision and long term strategy, a decision was taken to re-broker The New Bridge Academy to a Trust specialising in students who experience social emotional and mental health (SEMH) issues. This ensures that the Trust works in a focused way to support pupils with SEND across the severe/profound range and Autistic Spectrum Condition.
- A review of the work of Ascent Extra Limited has been undertaken and the activities of the business has ceased. The post 19 provision closed in July 2018 as did the short breaks provision. This has enabled us to have a clear focus on academy improvement.

The Trust is outward looking to support the needs of SEND learners and providers in the locality, working together to enhance school improvement. Joint meetings have been held with other local schools to help identify and discuss best practice.



# The Ascent Academies' Trust

## Trustees' Report for the Year Ended 31 August 2018 (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**.

Our aims for 2018/19 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).
- To establish a vibrant and age appropriate curriculum across the post 19 provision in the Trust.

### **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.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

### ***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'.

### **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 offers a broad and relevant 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;

- Review and refresh of the strategic plan and the publication of an Education & Business Plan that clearly translates the strategic aims into measurable objectives.  
The review of Governance enabled Trustees to have a more focused view of how the strategic plan is implemented and the impact on academies and the success of our young people.
- The decision to re-broker the only SEMH provision in the Trust and focus on what the Trust does well.
- Becoming part of a national organization that promotes school improvement in order that we continue to develop and improve.
- A clear focus on staff well-being continues to encourage health and well-being through sign-posting, activity and support.
- We continue to increase staff attendance through robust implementation of policies, staff well-being and early intervention.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

**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.

### **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.
- Head of Academy took up post in April 2016 supported by an Executive Head Teacher.
- 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 September 2014.

##### **Most recent Ofsted judgement**

Prior to Academy conversion, Ash Trees School had been assessed by Ofsted in 2013 as a "requires improvement school".

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

## **The Ascent Academies' Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Number of staff (full time equivalent)**

Teachers – 18.90

Support staff – 42.19

#### **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.
- Numbers on roll: 136 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.
- Barbara Priestman is located in Sunderland.

##### **Most recent Ofsted judgement**

In January 2015 Ofsted judged the Academy as "Good".

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

#### **Number of staff (full time equivalent)**

Teachers – 23.7

Support staff – 25.21

#### **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.
- Numbers on roll: 209 and includes a 16-19 provision.
- Pupils attending the academy all have statements of SEN or have received an Education Health and Care Plan.

## **The Ascent Academies' Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

- Pupil numbers on roll have significantly increased since the Academy was sponsored and brought into the Trust. There are discussions underway regarding future growth and an increase in capacity and pupil numbers in the future.
- The Academy is situated in Easington in County Durham.

#### **Most recent Ofsted judgement**

Prior to conversion and joining Ascent, the Academy was formally known as Glendene Arts Academy. The Academy had been assessed by Ofsted in 2013 as inadequate, and put into "special measures" category.

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 – 32.50

Support staff – 49.75

#### **New Bridge Academy**

##### **Background**

- The Academy opened in September 2015 following the amalgamation of Castlegreen Academy and Springwell Dene Academy.
- Numbers on roll: 105 who have statements of SEN or have received an Education Health and Care Plan relating to their Social Emotional and Mental Health (SEMH) needs.
- The Academy caters for students between the ages of 11 to 18.
- To facilitate best practice in teaching and learning and to reduce financial overheads, the school began to operate on one site (upper site) from September 2017.
- The sixth form "Link" provision, which currently caters for 15 students, is based at the City of Sunderland College.
- Further to a number of Quality Assurance reviews involving both external advisors and the Trust's Executive Leadership team, the Academy has been identified as inadequate in a number of areas.
- The Academy is based in Sunderland. The amount of commissioned places has decreased; closer working relations have been developed with the LA to help ensure correctly placed pupils attend the Academy. The academy is expected to transfer to Trinity MAT (Newcastle) from December 1st 2018.

#### **Most recent Ofsted judgement**

The Academy was inspected in June 2018 and judged to be inadequate in all aspects.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

### **Number of staff (full time equivalent)**

Teachers – 20.80

Support staff – 13.44

### **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.
- 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 and from September 2017 commissioned places have increased to 174. Proposals regarding future growth, and increase in capacity and pupil numbers in the future are in place.
- Portland is based in the south of Sunderland and the vast majority of pupils reside in Sunderland.

#### **Most recent Ofsted judgement**

In January 2015 Ofsted judged the Academy as 'Requires Improvement'. The Academy was inspected in June 2017, overall the Academy is Requires Improvement. However, the overall effectiveness of Teaching and Learning is Good, Personal Development, Behaviour and Welfare is Good and has elements of exemplary practice for safeguarding. We currently are self-evaluating the academy as 'good' overall.

### **Number of staff (full time equivalent)**

Teachers – 25.50

Support staff – 54.40

### **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 Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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.

Over the past year the academies have had to make savings 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 are able to add further value to the provision on offer through the employment of specialists across the MAT.

The level of resources held by the Trust overall is an indicator of financial performance. This is under constant review by Trustee and planned to be maintained at 5% of annual income.

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 2018 total expenditure of £17,098k (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 £962k.

At 31 August 2018 the net book value of fixed assets was £44,061k. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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 £5,024k which has been carried forward to 2018/19. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

### **Reserves Policy**

The Finance Risk and Resources Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts are presented to Trustees. At 31 August 2018 the value of reserves that were freely available to the Trust was £643k.

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 £0.61m, which the current Trust balances are in excess of. 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 has traded throughout the 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. From September 2017 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 Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

The principal strategic risks and uncertainties facing the Trust in the future continue to be predominately centred around finance. Forecast increases in Teachers pay and pension costs are not sustainable without additional funding, which is uncertain at present. 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. The outcome of future funding reforms and how Local Authorities are dealing with funding reductions does generate further uncertainties and potential future risks. 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 issues are being discussed with Trustees regularly.

Local Authorities not meeting statutory deadlines and responding to changes in pupil needs is causing 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. Not only is this affecting funding, but this also involves additional work. Again this is being closely monitored to understand how we can either mitigate or smooth financial pressures and turbulence, but further action is likely to be required to address 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 have been 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 feed 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 24 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.

### **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 Ascent Academies' Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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 donations.

#### **Disabled Employees**

On 27th February 2017, the Trust agreed 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 our 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 our 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, but always appointing the best.

#### **Employee Involvement**

During 2017/18 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.

The Trust communicates key decisions immediately after each Board meeting via the joint executive Head and Head of Academy meeting and Business support groups which allows for updates to staff via each academy's regular leadership team meetings. During 2018/19, the Trust will extend its effectiveness in terms of communication through half termly briefings, SharePoint, and open drop-in sessions.

# **The Ascent Academies' Trust**

## **Trustees' Report for the Year Ended 31 August 2018 (continued)**

### **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 nursery provision at Ash Trees Academy, and possible increase in pupil numbers in Barbara Priestman and Hope Wood Academies.

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.

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

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

### **Auditor**

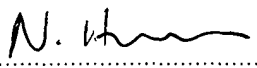
In so far as the Trustees are aware:

- 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.

### **Reappointment of auditor**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Tait Walker LLP 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 ~~11/12/18~~ and signed on its behalf by:

  
.....  
N Hurn OBE  
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 Board of Trustees has formally met 3 times during the year ended 31 August 2018. Trustees' attendance at Committee meetings during the year was as follows:

	Name	AGM	Board of Trustees	HR	Standards	PLC	Finance Management (1/18 to 1/19)	Strategy and CB (1/18 to 1/19)
N	Hurn (Chair)	1/1	3/3		1/3		1/1	
C	Dunn (CEO)	1/1	3/3	3/3	3/3	1/1	2/2	1/1
N	Hudspeth	1/1	3/3	2/3		2/2	1/1	1/1
V	Milnes	1/1	3/3	2/3	1/1	1/1	2/2	1/1
R	Patel (Vice Chair)	1/1	3/3	3/3	2/3	2/2	1/1	1/1
M	Quinn	0/1	2/3		2/3	0/2		0/1
L	Watson	0/1	3/3		2/3	2/2		
R	Whorlton	1/1	2/2	3/3			1/1	
P	Wright	1/1	3/3	3/3			2/2	
D	Barker		1/1		1/1			
S	Steele		1/1	2/2				
L	Clelland	A	A		A			
S	Blair	1/1	1/1	1/1		0/1	2/2	
M	Morris	A	A		1/1			A
K	Armstrong	A	A		A			
J	Duncan	A	A		A			

The external Governance review dated October 2017 has been monitored and reflected upon to help ensure recommendations have been implemented where possible during the year. Developments are being made in the Trust's regional and national networks; the Trust is joining '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 with the introduction of Support and Challenge requests to staff across the Trust. A further self-evaluation of Governance is due to be undertaken in the Autumn term in 2018.

The year-end membership of the Board of Trustees consisted of eleven Trustees. The Articles of Association for the company limit the maximum number to fifteen so there are currently four vacancies. The Board will review its skills audit to inform what qualities and expertise is required before filling the current vacancies and making the Board up to full capacity.

# **The Ascent Academies' Trust**

## **Governance Statement (continued)**

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 recent 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, particularly ensuring maximum 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 when using external contractors and savings on IT contracts, 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 year and is now becoming 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 is the catering service at Hope Wood Academy;
- 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;
- 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; and

# **The Ascent Academies' Trust**

## **Governance Statement (continued)**

• 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 two successful Condition Improvement Fund (CIF) grant applications were made and SALIX loan applications for four academies. Additional external funding achieved during the period was in excess of £0.56 million.

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 2017 to 31 August 2018 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 2018 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;
- delegation of authority and segregation of duties; and
- identification and management of risks.

# **The Ascent Academies' Trust**

## **Governance Statement (continued)**

The Board of Trustees have considered the need for a specific internal audit function and have appointed 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 procedures; 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:

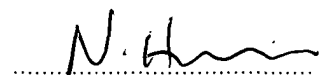
- the work of the Finance Risk and Resources Committee;
- the results of supplementary procedures undertaken;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Executive Leaders within the Trust who have responsibility for the 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.

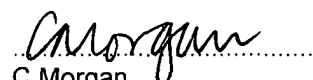
## The Ascent Academies' Trust

### Governance Statement (continued)

Approved by order of the members of the Governing Body on 11/12/18 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 2017.

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 2017.

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: 13.12.18

# 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 2017 to 2018;
- 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 11/12/18 and signed on its behalf by:



N Hurn OBE  
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 2018, 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'.

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 2018 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 Academies Accounts Direction 2017 to 2018.

### **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**

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 and 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 24, 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.

# **The Ascent Academies' Trust**

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

### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

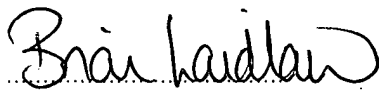
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **The Ascent Academies' Trust**

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

#### **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.



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

Date: 18th December 2018

## **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 1 August 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the The Ascent Academies' Trust Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Ascent Academies' Trusts funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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:

- Enquiry of senior management and the Trustees of the Academy Trust;
- Observation of re-performance of financial controls; and
- Inspection and review of the accounting records, meeting minutes and internal control procedures;
- Review of card transactions;
- Review of register of business and pecuniary interests;
- Review of related party transactions;
- Review of a sample of gifts and hospitality expenditure.

## **The Ascent Academies' Trust**

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

#### **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 2017 to 31 August 2018 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.



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

Date: 18th December 2018



# 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
<b>Income and endowments from:</b>					
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
<b>Total</b>		<b>620</b>	<b>14,360</b>	<b>446</b>	<b>15,426</b>
<b>Expenditure on:</b>					
Raising funds	6	96	-	-	96
<i>Charitable activities:</i>					
Academy trust educational operations		196	15,650	3,786	19,632
<b>Total</b>		<b>292</b>	<b>15,650</b>	<b>3,786</b>	<b>19,728</b>
Net income/(expenditure)		328	(1,290)	(3,340)	(4,302)
Transfers between funds		(825)	500	325	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	24	-	1,483	-	1,483
Net movement in (deficit)/funds		(497)	693	(3,015)	(2,819)
<b>Reconciliation of funds</b>					
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

## Consolidated Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	199	-	84	283
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	116	13,797	-	13,913
Other trading activities	4	697	-	-	697
Investments	5	1	-	-	1
<b>Total</b>		<b>1,013</b>	<b>13,797</b>	<b>84</b>	<b>14,894</b>
<b>Expenditure on:</b>					
Raising funds	6	253	-	-	253
<i>Charitable activities:</i>					
Academy trust educational operations		264	15,455	1,099	16,818
<b>Total</b>		<b>517</b>	<b>15,455</b>	<b>1,099</b>	<b>17,071</b>
Net income/(expenditure)		496	(1,658)	(1,015)	(2,177)
Transfers between funds		(942)	722	220	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	24	-	4,538	-	4,538
Net movement in (deficit)/funds		(446)	3,602	(795)	2,361
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		1,586	(9,319)	47,857	40,124
Total funds/(deficit) carried forward at 31 August 2017		<u>1,140</u>	<u>(5,717)</u>	<u>47,062</u>	<u>42,485</u>

# The Ascent Academies' Trust

(Registration number: 08098007)

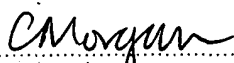
## Consolidated Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Tangible assets	12	44,061	47,065
<b>Current assets</b>			
Stocks	14	5	2
Debtors	15	812	864
Cash at bank and in hand		1,689	2,706
		<u>2,506</u>	<u>3,572</u>
Creditors: Amounts falling due within one year	16	<u>(1,877)</u>	<u>(2,435)</u>
Net current assets		<u>629</u>	<u>1,137</u>
Total assets less current liabilities		<u>44,690</u>	<u>48,202</u>
Net assets excluding pension liability		44,690	48,202
Pension scheme liability	24	<u>(5,024)</u>	<u>(5,717)</u>
Net assets including pension liability		<u>39,666</u>	<u>42,485</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	17	44,047	47,062
Restricted pension fund	17	<u>(5,024)</u>	<u>(5,717)</u>
		39,023	41,345
<b>Unrestricted funds</b>			
Unrestricted income fund	17	<u>643</u>	<u>1,140</u>
Total funds		<u>39,666</u>	<u>42,485</u>

The financial statements on pages 31 to 74 were approved by the Trustees, and authorised for issue on 11/12/18 and signed on their behalf by:



N Hurn OBE  
Trustee



C Morgan  
Trustee

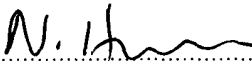
# The Ascent Academies' Trust

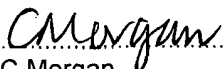
(Registration number: 08098007)

## Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Tangible assets	12	44,056	47,062
<b>Current assets</b>			
Stocks	14	5	2
Debtors	15	834	945
Cash at bank and in hand		1,660	2,631
		2,499	3,578
Creditors: Amounts falling due within one year	16	(1,868)	(2,404)
Net current assets		631	1,174
Total assets less current liabilities		44,687	48,236
Net assets excluding pension liability		44,687	48,236
Pension scheme liability	24	(5,024)	(5,717)
Net assets including pension liability		39,663	42,519
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	17	44,047	47,062
Restricted pension fund	17	(5,024)	(5,717)
		39,023	41,345
<b>Unrestricted funds</b>			
Unrestricted income fund	17	640	1,174
Total funds		39,663	42,519

The financial statements were approved by the Trustees, and authorised for issue on 11/12/18 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 2018**

	<b>Note</b>	<b>2018 £ 000</b>	<b>2017 £ 000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	20	(3,313)	(197)
Cash flows from investing activities	21	<u>2,296</u>	<u>(218)</u>
Change in cash and cash equivalents in the year		(1,017)	(415)
Cash and cash equivalents at 1 September		<u>2,706</u>	<u>3,121</u>
Cash and cash equivalents at 31 August	22	<u><u>1,689</u></u>	<u><u>2,706</u></u>

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018**

### **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 £2,856,000 (2017 - surplus of £2,406,000)

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (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 receivable***

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 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 2018 (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 2018 (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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	50 years straight line
Plant and machinery	3 years straight line
Motor vehicles	5 years straight line
Fixtures and equipment	10 years straight line
Computer equipment	3 years straight line

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **1 Accounting policies (continued)**

#### **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.

#### **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.

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **1 Accounting policies (continued)**

#### **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.

#### **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.

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **1 Accounting policies (continued)**

#### **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.

#### **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 24, 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 2018. 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 £1,159,000 (2017 - £1,102,000).

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **1 Accounting policies (continued)**

#### ***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 directors 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 2018 (continued)

### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Educational trips and visits	52	-	52	37
Capital grants	-	446	446	84
Other donations	89	-	89	162
	<u>141</u>	<u>446</u>	<u>587</u>	<u>283</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2017 £ 000	
Total 2017	<u>199</u>	<u>84</u>	<u>283</u>	

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant GAG	-	8,128	8,128	8,010
Other ESFA Group grants	-	486	486	566
	<u>-</u>	<u>8,614</u>	<u>8,614</u>	<u>8,576</u>
<b>Other government grants</b>				
Local authority grants	-	5,746	5,746	5,221
<b>Non-government grants and other income</b>				
Other income from the academy trusts educational operations	74	-	74	116
	<u>74</u>	<u>14,360</u>	<u>14,434</u>	<u>13,913</u>
Total grants	<u>74</u>	<u>14,360</u>	<u>14,434</u>	<u>13,913</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>116</u>	<u>13,797</u>	<u>13,913</u>	

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **4 Other trading activities**

	<b>Unrestricted funds £ 000</b>	<b>Total 2018 £ 000</b>	<b>Total 2017 £ 000</b>
Hire of facilities	5	5	40
Other sales	162	162	206
Subsidiary income	237	237	451
	<u>404</u>	<u>404</u>	<u>697</u>
	<b>Unrestricted funds £ 000</b>	<b>Total 2017 £ 000</b>	
Total 2017	<u>697</u>	<u>697</u>	

### **5 Investment income**

	<b>Unrestricted funds £ 000</b>	<b>Total 2018 £ 000</b>	<b>Total 2017 £ 000</b>
Short term deposits	<u>1</u>	<u>1</u>	<u>1</u>
	<b>Unrestricted funds £ 000</b>	<b>Total 2017 £ 000</b>	
Total 2017	<u>1</u>	<u>1</u>	

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 6 Expenditure

	Non Pay Expenditure			Total 2018 £ 000	Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	36	-	60	96	253
<b>Academy's educational operations</b>					
Direct costs	10,222	987	492	11,701	12,580
Allocated support costs	3,070	846	4,015	7,931	4,238
	<u>13,328</u>	<u>1,833</u>	<u>4,567</u>	<u>19,728</u>	<u>17,071</u>
	Non Pay Expenditure			Total 2017 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2017	<u>13,294</u>	<u>1,822</u>	<u>1,955</u>	<u>17,071</u>	



# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018 £ 000	2017 £ 000
Operating lease rentals	7	9
Depreciation	1,159	1,102
Fees payable to auditor - audit	12	12
Fees payable to auditor - other audit services	3	4
	<u>1,179</u>	<u>1,127</u>

### 7 Charitable activities

	2018 £ 000	2017 £ 000
Direct costs - educational operations	11,701	12,580
Support costs - educational operations	7,931	4,238
	<u>19,632</u>	<u>16,818</u>

	Educational operations £ 000	2018 £ 000	2017 £ 000
<b>Analysis of support costs</b>			
Support staff costs	3,070	3,070	2,401
Depreciation	169	169	42
Technology costs	87	87	43
Premises costs	677	677	720
Other support costs	3,794	3,794	919
Governance costs	134	134	113
Total support costs	<u>7,931</u>	<u>7,931</u>	<u>4,238</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 8 Staff

#### Staff costs

	2018 £ 000	2017 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	9,462	9,450
Social security costs	862	828
Operating costs of defined benefit pension schemes	2,076	2,252
	<u>12,400</u>	<u>12,530</u>
Supply staff costs	775	682
Staff restructuring costs	153	82
	<u>13,328</u>	<u>13,294</u>
	<b>2018 £ 000</b>	<b>2017 £ 000</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	-	82
Severance payments	153	-
	<u>153</u>	<u>82</u>

The subsidiary undertaking incurred total staff costs of £147,146 (2017 – £383,843).

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 8 Staff (continued)

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £152,806 (2017 - £82,000). Individually, the payments were:

Non-statutory payments £9,000

Non-statutory payments £6,150

Non-statutory payments £6,250

Non-statutory payments £22,550

Non-statutory payments £3,254

Non-statutory payments £8,730

Non-statutory payments £4,500

Non-statutory payments £8,500

Non-statutory payments £40,663

Non-statutory payments £43,209

#### Staff numbers

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

	2018 No.	2017 No.
<b>Charitable Activities</b>		
Teachers	107	115
Administration and support	306	307
Management	22	19
	<u>435</u>	<u>441</u>

#### Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	1	-
£80,001 - £90,000	2	4
£90,001 - £100,000	1	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 8 Staff (continued)

#### 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 £829,133 (2017 - £823,896).

### 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% (2017: average 2.50%) of school budget to fund central services.

The actual amounts charged during the year were as follows:

	2018 £ 000	2017 £ 000
Portland Academy	125	95
Barbara Priestman Academy	92	78
Ash Trees Academy	103	92
Hope Wood Academy	125	118
Newbridge Academy	74	72
	<u>519</u>	<u>455</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:

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **10 Related party transactions - Trustees' remuneration and expenses (continued)**

P Makin (Former CEO):

Remuneration: £Nil (2017 - £85,000 - £90,000)

Employer's pension contributions: £Nil (2017 - £30,000 - £35,000)

C Morgan (CEO):

Remuneration: £105,000 - £110,000 (2017 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2017 - £Nil)

Other related party transactions involving the Trustees are set out in note 25.

### **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 2018 (continued)

### 12 Tangible fixed assets

#### Group

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2017	49,855	375	160	375	47	50,812
Additions	684	29	-	68	-	781
Disposals	<u>(2,951)</u>	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>(2,960)</u>
At 31 August 2018	<u>47,588</u>	<u>404</u>	<u>151</u>	<u>443</u>	<u>47</u>	<u>48,633</u>
<b>Depreciation</b>						
At 1 September 2017	3,267	102	93	248	33	3,743
Charge for the year	987	60	26	79	7	1,159
Eliminated on disposals	<u>(323)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>(330)</u>
At 31 August 2018	<u>3,931</u>	<u>162</u>	<u>112</u>	<u>327</u>	<u>40</u>	<u>4,572</u>
<b>Net book value</b>						
At 31 August 2018	<u>43,657</u>	<u>242</u>	<u>39</u>	<u>116</u>	<u>7</u>	<u>44,061</u>
At 31 August 2017	<u>46,588</u>	<u>273</u>	<u>67</u>	<u>127</u>	<u>14</u>	<u>47,069</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 12 Tangible fixed assets (continued)

#### Academy Trust

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
<b>Cost</b>						
At 1 September 2017	49,855	368	160	369	47	50,799
Additions	684	29	-	68	-	781
Disposals	(2,951)	-	(9)	-	-	(2,960)
At 31 August 2018	<u>47,588</u>	<u>397</u>	<u>151</u>	<u>437</u>	<u>47</u>	<u>48,620</u>
<b>Depreciation</b>						
At 1 September 2017	3,267	100	93	244	33	3,737
Charge for the year	987	59	26	78	7	1,157
Eliminated on disposals	(323)	-	(7)	-	-	(330)
At 31 August 2018	<u>3,931</u>	<u>159</u>	<u>112</u>	<u>322</u>	<u>40</u>	<u>4,564</u>
<b>Net book value</b>						
At 31 August 2018	<u>43,657</u>	<u>238</u>	<u>39</u>	<u>115</u>	<u>7</u>	<u>44,056</u>
At 31 August 2017	<u>46,588</u>	<u>268</u>	<u>67</u>	<u>125</u>	<u>14</u>	<u>47,062</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (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 2018 was £247,104, expenditure was £209,770 and the profit/(loss) for the year was £37,334. The assets of the company at 31 August 2018 were £70,311, liabilities were £66,732 and capital and reserves were £3,579.

The registered office of Ascent Extra Limited is:

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

### 14 Stock

	2018	Group	2018	Academy Trust
	£ 000	2017	£ 000	2017
		£ 000		£ 000
Other	5	2	5	2

### 15 Debtors

	2018	Group	2018	Academy Trust
	£ 000	2017	£ 000	2017
		£ 000		£ 000
Trade debtors	114	276	87	177
VAT recoverable	157	138	157	139
Other debtors	-	4	-	4
Prepayments	541	446	533	423
Balances due from related entities	-	-	57	202
	812	864	834	945



# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 16 Creditors: amounts falling due within one year

	2018 £ 000	Group 2017 £ 000	Academy Trust 2018 £ 000	2017 £ 000
Trade creditors	714	1,696	712	1,678
Other taxation and social security	188	414	188	414
Other creditors	174	-	174	-
Accruals	688	248	681	235
Deferred income	113	77	113	77
	<u>1,877</u>	<u>2,435</u>	<u>1,868</u>	<u>2,404</u>

### Group

	2018 £ 000	2017 £ 000
<b>Deferred income</b>		
Deferred income at 1 September 2017	77	69
Resources deferred in the period	113	77
Amounts released from previous periods	<u>(77)</u>	<u>(69)</u>
Deferred income at 31 August 2018	<u>113</u>	<u>77</u>

### Academy Trust

	2018 £ 000	2017 £ 000
<b>Deferred income</b>		
Deferred income at 1 September 2017	77	69
Resources deferred in the period	113	77
Amounts released from previous periods	<u>(77)</u>	<u>(69)</u>
Deferred income at 31 August 2018	<u>113</u>	<u>77</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 2018 (continued)

### 17 Funds

#### Group

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
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>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	300	-	(300)	-	-
DfE/ESFA capital grants	<u>46,762</u>	<u>446</u>	<u>(3,486)</u>	<u>325</u>	<u>44,047</u>
	47,062	446	(3,786)	325	44,047
<b>Restricted pension funds</b>					
Pension reserve	<u>(5,717)</u>	<u>-</u>	<u>(790)</u>	<u>1,483</u>	<u>(5,024)</u>
Total restricted funds	41,345	14,806	(19,436)	2,308	39,023
<b>Unrestricted funds</b>					
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 Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 17 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	8,010	(8,732)	722	-
Other DfE/ESFA Grants	-	566	(566)	-	-
Other Grants	-	5,221	(5,221)	-	-
	-	13,797	(14,519)	722	-
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,095	84	(1,099)	220	300
DfE/ESFA capital grants	46,762	-	-	-	46,762
	47,857	84	(1,099)	220	47,062
<b>Restricted pension funds</b>					
Pension reserve	(9,319)	-	(936)	4,538	(5,717)
Total restricted funds	38,538	13,881	(16,554)	5,480	41,345
<b>Unrestricted funds</b>					
Unrestricted funds	1,586	1,013	(517)	(942)	1,140
Total funds	40,124	14,894	(17,071)	4,538	42,485

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 17 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
General Annual Grant	-	16,138	(17,360)	1,222	-
Other DfE/ESFA Grants	-	1,052	(1,052)	-	-
Other Grants	-	10,967	(10,967)	-	-
	-	28,157	(29,379)	1,222	-
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,095	84	(1,399)	220	-
DfE/ESFA capital grants	46,762	446	(3,486)	325	44,047
	47,857	530	(4,885)	545	44,047
<b>Restricted pension funds</b>					
Pension reserve	(9,319)	-	(1,726)	6,021	(5,024)
Total restricted funds	38,538	28,687	(35,990)	7,788	39,023
<b>Unrestricted funds</b>					
Unrestricted funds	1,586	1,633	(809)	(1,767)	643
Total funds	40,124	30,320	(36,799)	6,021	39,666

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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.

## The Ascent Academies' Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 17 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £ 000	2017 £ 000
Portland Academy	-	148
Barbara Priestman Academy	-	789
Ash Trees Academy	-	15
Hope Wood Academy	-	29
New Bridge Academy	-	96
Ascent Extra Limited	3	(34)
Trust	640	97
Total before fixed assets and pension reserve	643	1,140
Restricted fixed asset fund	44,047	47,062
Pension reserve	(5,024)	(5,717)
Total	39,666	42,485

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.

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 17 Funds (continued)

#### 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 2018 £ 000
Portland Academy	2,174	604	40	600	3,418
Barbara Priestman Academy	1,744	391	90	815	3,041
Ash Trees Academy	1,978	397	57	641	3,073
Hope Wood Academy	2,380	575	89	755	3,799
New Bridge Academy	1,514	342	16	738	2,610
Ascent Extra Limited	-	-	-	54	54
Central services	219	355	6	122	703
Academy Trust	<u>10,009</u>	<u>2,664</u>	<u>298</u>	<u>3,725</u>	<u>16,698</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 17 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 2017 £ 000
Portland Academy	2,143	902	90	470	3,605
Barbara Priestman Academy	1,621	693	96	320	2,730
Ash Trees Academy	1,725	754	72	333	2,884
Hopewood Academy	2,178	699	116	397	3,390
New Bridge Academy	1,347	622	55	410	2,434
Ascent Extra Limited	-	-	-	228	228
Trust	251	359	11	77	698
Academy Trust	<u>9,265</u>	<u>4,029</u>	<u>440</u>	<u>2,235</u>	<u>15,969</u>

### 18 Analysis of net assets between funds

#### Group

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

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 18 Analysis of net assets between funds (continued)

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	3	-	47,062	47,065
Current assets	3,572	-	-	3,572
Current liabilities	(2,435)	-	-	(2,435)
Pension scheme liability	-	(5,717)	-	(5,717)
Total net assets	<u>1,140</u>	<u>(5,717)</u>	<u>47,062</u>	<u>42,485</u>

### Academy Trust

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Fixed assets	-	-	44,056	44,056
Current assets	2,499	-	-	2,499
Current liabilities	(1,859)	-	(9)	(1,868)
Pension liability	-	(5,024)	-	(5,024)
	<u>640</u>	<u>(5,024)</u>	<u>44,047</u>	<u>39,663</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	-	-	47,062	47,062
Current assets	3,578	-	-	3,578
Current liabilities	(2,404)	-	-	(2,404)
Pension scheme liability	-	(5,717)	-	(5,717)
Total net assets	<u>1,174</u>	<u>(5,717)</u>	<u>47,062</u>	<u>42,519</u>



# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 19 Commitments under operating leases

#### Group

#### *Operating leases - group*

At 31 August 2018 the Group had annual commitments under non-cancellable operating leases as follows:

	2018 £ 000	2017 £ 000
Amounts due within one year	1	7
Amounts due between one and five years	-	1
	<u>1</u>	<u>8</u>

#### Academy Trust

#### *Operating leases - company*

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £ 000	2017 £ 000
Amounts due within one year	1	7
Amounts due between one and five years	-	1
	<u>1</u>	<u>8</u>

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

	Note	2018 £ 000	2017 £ 000
Net expenditure		(4,302)	(2,177)
Depreciation	6	1,159	1,102
Capital grants from DfE and other capital income		(446)	(84)
Interest receivable	5	(1)	(1)
Defined benefit pension scheme cost less contributions payable	24	655	758
Defined benefit pension scheme finance cost	24	135	178
Increase in stocks		(3)	-
Decrease in debtors		52	196
Decrease in creditors		<u>(562)</u>	<u>(169)</u>
Net cash used in Operating Activities		<u>(3,313)</u>	<u>(197)</u>

## The Ascent Academies' Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 21 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(781)	(303)
Proceeds from sale of tangible fixed assets	2,630	-
Capital funding received from sponsors and others	446	84
Net cash provided by/(used in) investing activities	2,296	(218)

#### 22 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	1,689	2,706
Total cash and cash equivalents	1,689	2,706

#### 23 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.

#### 24 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.

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

# **The Ascent Academies' Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

### **24 Pension and similar obligations (continued)**

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,186,687 (2017 - £1,251,000). 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 2018 (continued)

### 24 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 2018 was £182,000 (2017 - £172,000), of which employer's contributions totalled £136,000 (2017 - £126,000) and employees' contributions totalled £46,000 (2017 - £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

	2018 %	2017 %
Rate of increase in salaries	3.50	3.40
Rate of increase for pensions in payment/inflation	2.00	1.90
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.00	1.90
RPI increases	<u>3.10</u>	<u>3.00</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	23.30	23.20
Females retiring today	25.00	24.90
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	<u>27.30</u>	<u>27.20</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

#### Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	3,881	3,739
Discount rate -0.1%	4,123	3,972
Mortality assumption – 1 year increase	3,885	3,740
Mortality assumption – 1 year decrease	4,115	3,968
CPI rate +0.1%	4,050	3,924
CPI rate -0.1%	<u>3,951</u>	<u>3,786</u>

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

	2018 £ 000	2017 £ 000
Equities	1,007	905
Corporate bonds	272	159
Government bonds	519	568
Property	141	133
Cash and other liquid assets	<u>137</u>	<u>79</u>
Total market value of assets	<u>2,076</u>	<u>1,844</u>

The actual return on scheme assets was £77,000 (2017 - £166,000).

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

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

	2018 £ 000	2017 £ 000
Current service cost	247	299
Total amount recognised in the SOFA	247	299

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

	2018 £ 000	2017 £ 000
At start of period	3,854	4,275
Current service cost	256	299
Interest cost	97	86
Employee contributions	46	46
Actuarial (gain)/loss	(226)	(837)
Benefits paid	(27)	(15)
At 31 August	4,000	3,854

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

	2018 £ 000	2017 £ 000
At start of period	1,844	1,521
Interest income	48	32
Actuarial gain/(loss)	29	134
Employer contributions	136	126
Employee contributions	46	46
Benefits paid	(27)	(15)
At 31 August	2,076	1,844

#### 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 2018 was £512,000 (2017 - £631,000), of which employer's contributions totalled £366,000 (2017 - £482,000) and employees' contributions totalled £146,000 (2017 - £149,000). 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.

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2018 %	2017 %
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	2.80	2.50
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.10</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:

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.90	22.80
Females retiring today	26.40	26.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.10	25.00
Females retiring in 20 years	<u>28.70</u>	<u>28.60</u>

#### Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	10,920	10,710
Discount rate -0.1%	11,473	11,252
Mortality assumption – 1 year increase	10,878	10,655
Mortality assumption – 1 year decrease	11,509	11,302
CPI rate +0.1%	11,308	11,138
CPI rate -0.1%	<u>11,080</u>	<u>10,820</u>

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

## The Ascent Academies' Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 24 Pension and similar obligations (continued)

	2018 £ 000	2017 £ 000
Equities	6,278	5,744
Corporate bonds	1,042	999
Government bonds	372	339
Property	791	782
Cash and other liquid assets	205	339
Other	614	487
Total market value of assets	<u>9,302</u>	<u>8,690</u>

The actual return on scheme assets was £237,000 (2017 - £1,433,000).



# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

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

	2018 £ 000	2017 £ 000
Current service cost	727	878
Net interest cost	-	8
Total amount recognised in the SOFA	<u>727</u>	<u>886</u>

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

	2018 £ 000	2017 £ 000
At start of period	10,978	10,756
Current service cost	770	878
Interest cost	275	216
Employee contributions	146	149
Actuarial (gain)/loss	(838)	(957)
Benefits paid	(138)	(68)
Past service cost	-	4
At 31 August	<u>11,193</u>	<u>10,978</u>

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

	2018 £ 000	2017 £ 000
At start of period	8,690	6,694
Interest income	222	140
Actuarial gain/(loss)	15	1,293
Employer contributions	366	482
Employee contributions	146	149
Benefits paid	<u>(138)</u>	<u>(68)</u>
At 31 August	<u>9,301</u>	<u>8,690</u>

#### 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 2018 was £204,000 (2017 - £190,000), of which employer's contributions totalled £151,000 (2017 - £138,000) and employees' contributions totalled £53,000 (2017 - £52,000). 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.

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2018 %	2017 %
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	2.80	2.50
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.10</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:

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.90	22.80
Females retiring today	25.00	24.90
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.10	25.00
Females retiring in 20 years	<u>27.30</u>	<u>27.20</u>

#### Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	4,021	3,972
Discount rate -0.1%	4,225	4,173
Mortality assumption – 1 year increase	4,004	3,949
Mortality assumption – 1 year decrease	4,241	4,194
CPI rate +0.1%	4,161	4,134
CPI rate -0.1%	<u>4,083</u>	<u>4,009</u>

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

	2018 £ 000	2017 £ 000
Equities	2,127	2,098
Corporate bonds	-	3
Property	224	170
Cash and other liquid assets	525	339
Other	<u>38</u>	<u>42</u>
Total market value of assets	<u>2,914</u>	<u>2,652</u>

# The Ascent Academies' Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 24 Pension and similar obligations (continued)

The actual return on scheme assets was £147,000 (2017 - £429,000).

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

	2018 £ 000	2017 £ 000
Current service cost	282	323
Total amount recognised in the SOFA	282	323

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

	2018 £ 000	2017 £ 000
At start of period	4,071	4,551
Current service cost	282	323
Interest cost	101	91
Employee contributions	53	52
Actuarial (gain)/loss	(296)	(931)
Benefits paid	(89)	(15)
At 31 August	4,122	4,071

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

	2018 £ 000	2017 £ 000
At start of period	2,652	2,048
Interest income	68	43
Actuarial gain/(loss)	79	386
Employer contributions	151	138
Employee contributions	53	52
Benefits paid	(89)	(15)
At 31 August	2,914	2,652

### 25 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.

## **The Ascent Academies' Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **25 Related party transactions (continued)**

##### **Expenditure related party transactions**

During the year the Academy 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 £540 (2017 - £1,800).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Chameleon Vocational Training Limited was £Nil (2017 - £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 £600 (2017 - £nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Gateshead College Foundation was £Nil (2017 - £Nil).

#### **26 Events after the end of the reporting period**

On the 1 December 2018 the New Bridge school transferred out of The Ascent Academies Trust to Trinity Academy Newcastle Trust.