

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

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**ASSET EDUCATION**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Professor J H West-Burnham B Keaney B Leeke N D Pavitt C Gartland (appointed 27 January 2020)
<b>Trustees</b>	Professor J H West-Burnham, Chair of Trustees E Casey, Vice Chair, Chair of Area Governance Ipswich G H Clarke N Denny S J P Evans-Evans (appointed 5 October 2020) C E Flintoff, CEO/Accounting Officer C E Gartland (resigned 7 October 2020) B D Gostling, Finance and Audit Chair M C B Mattinson, Chair of Governance Waveney J J Pentreath, Principal Director G R Stevens, Operations Chair E P Whitehead (appointed 5 October 2020) S Wilkinson (appointed 12 December 2019)
<b>Company registered number</b>	09434926
<b>Company name</b>	ASSET Education
<b>Principal and registered office</b>	St Helen's Primary School Woodbridge Road Ipswich Suffolk IP4 2LT
<b>Chief Executive Officer</b>	C E Flintoff
<b>Senior management team</b>	C Flintoff, Chief Executive Officer G Andrews, Executive Headteacher, Castle Hill Infant School & Junior School N Bosse, Headteacher, Cliff Lane Primary School J Bowles, Headteacher, Wenhaston Primary School S Capper, Headteacher, The Beeches Community Primary School R Dedicoat, Headteacher, Shotley Community Primary School T Devereux, Headteacher, Ringshall School D Herbert, Chief Finance Officer K Hodgetts, Headteacher, St Helens Primary School R Leek, Director of Strategy, Interim Headteacher K Milk, Headteacher, Edgar Sewter Community Primary School & Bungay Primary School P Palmer, Joint Headteacher, The Oaks Primary School G Parfitt, Headteacher, Stutton C of E Primary J Pentreath, Joint Headteacher, The Oaks Primary School C Starkl, Headteacher, Holton Saint Peter Community Primary S Winter, Headteacher, Ilketshall Saint Lawrence Primary School

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
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<b>Bankers</b>	Lloyds Bank 13 Cornhill Ipswich Suffolk IP1 1DG
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<b>Solicitors</b>	Stone King LLP 3rd Floor Bateman House 82-88 Hills Road Cambridge Cambridgeshire CB2 1LQ
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**ASSET EDUCATION**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their annual report together with the financial statements and auditor's report of ASSET Education (the trust and charitable company) for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 14 academies serving a catchment area in Suffolk. Excluding the 7 nurseries, the academies had a combined capacity of 3,752 and a roll of 3,188 in the Autumn 2020 census.

**Structure, governance and management**

**a. Constitution**

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are its primary governing documents. The trustees of the charitable company are also the directors for the purposes of company law. The terms trustee and director are interchangeable.

The charitable company includes the following academies:

Bungay Primary School	converted and joined the trust on 01/05/2017
Castle Hill Junior School	transferred to the trust on 01/03/2019
Castle Hill Infant School	transferred to the trust on 01/03/2019
Cliff Lane Primary School	transferred to the trust on 01/03/2019
Edgar Sewter Community Primary School	converted and joined the trust on 01/05/2017
Holton St Peter Community Primary School	converted and joined the trust on 01/05/2017
Ilketshall St Lawrence School	converted and joined the trust on 01/05/2017
Ringshall Primary School	converted and joined the trust on 01/10/2019
St Helen's Primary School	converted on 01/03/2015
Shotley Community Primary School	converted and joined the trust on 01/09/2018
Stutton Church of England Primary School	converted and joined the trust on 01/06/2018
The Beeches Community Primary School	converted on 01/03/2015
(formerly Whitton Community Primary School renamed from 01/01/2020)	
The Oaks Primary School	converted on 01/03/2015
Wenhaston Primary School	converted and joined the trust on 01/05/2017

The operation of the trust's academies and employment of staff are the responsibility of the trustees. The trust retains control of academy budgets and finances, and monitors these through its finance committee. Throughout this report, the board of trustees is referred to as the main governing body (MGB). Each academy has appointed local governing bodies (LGB) who have delegated authority to administer their academy within agreed budgets.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1. Within this report, the term trustee refers to a member of the MGB and the term governor to a member of an LGB.

**b. Members' liability**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**c. Trustees' and Officers' indemnities**

The 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.

**d. Method of recruitment and appointment or election of Trustees**

The arrangements are as set out in the articles of association and funding agreement.

Trustees are appointed for a fixed term. The chief executive officer is an ex officio member of the MGB. Other trustees are elected to office by members or appointed by trustees. The articles of association make provision for:

- up to 12 directors appointed by members
- up to 2 co-opted directors appointed by trustees

Trustees are appointed for the skills and expertise they bring to the board. The board undertakes a regular skills audit and trustees and members seek suitable appointments to any perceived gaps. Two parent members of LGBs are required and elected to post (see ASSET governance handbook).

**e. Policies adopted for the induction and training of Trustees and Governors**

The trust is committed to providing adequate opportunities for trustees and governors to undertake and receive suitable training to enable them to perform their role effectively. There is an induction programme including training from the trust executive for new trustees and local governors. A governance handbook includes role briefs and codes of conduct that must be adhered to, and signed, by new governors. New governors and trustees complete an application form, two satisfactory references are required and full DBS and de barring checks are carried out. The induction programme includes a tour of the relevant academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the particular role they will undertake in the school.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**f. Organisational structure**

The governance of the trust is defined in the memorandum and articles of association together with the funding agreement with the Department of Education.

Generally the MGB meets on 6 occasions but in the 2019/2020 academic year, due to the coronavirus pandemic, the MGB met in person on four occasions. One meeting was cancelled with questions taken and responded to. The steering committee held 6 virtual meetings during the year. During the period of virtual governance the committees were suspended and all business of the sub-committees was carried out by the MGB Steering Committee. The following sub-committees operate under the direction of the MGB: finance and audit, operations and risk, education, area governance, and remuneration. The sub-committees met at least once before virtual governance arrangements were put in place. The MGB is responsible for the strategic direction of the trust. The trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the trust by the use of those budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments. The scheme of delegation sets out the levels of delegation to committees of the board, LGBs and the trust executive (the chief executive officer, the chief finance officer and headteachers).

The governors within their LGBs are responsible for providing the necessary support and challenge to the school in order to implement strategic policy effectively, ensuring the appropriateness of annual budgets and capital expenditure projects for their academy and monitoring performance against that budget and authorised capital limits. The chairs of the LGBs report to the board's area governance committee on their effectiveness in undertaking their role against ASSET excellence statements.

The senior leadership teams (SLTs) control the academies at an executive level implementing policies and reporting to the chief executive officer and their LGB. Each SLT is responsible for the day to day operation of their academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The senior management team (SMT) looks across the trust and ensures that the strategic aims of the trust as a whole are implemented locally.

The trust's chief executive officer is the accounting officer.

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

Key management personnel include trustees and those staff to whom the trustees have delegated significant authority and responsibility in the day to day running of the trust.

The trust adheres to the latest version of the school teachers' pay and conditions document (STPCD) and single status salary ranges agreed nationally. The pay of key management personnel is decided by a variety of contributory factors, such as the school group size, the ISR, the level of experience of the staff member and the level of challenge in the role. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the trust's appointment and pay policies.

All pay awards of key management posts (ie headteacher, central executive staff) are approved by the remuneration Committee and ratified by the MGB.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**h. Related parties and other connected charities and organisations**

Owing to the nature of the trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the MGB may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procedures. Any transaction where the trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the academies financial handbook.

**i. Engagement with suppliers, customers and others in a business relationship with the academy trust**

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the current coronavirus outbreak the Trust has followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment of their suppliers.

The Trustees consider pupils and parents to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents is carried out through regular newsletters and face to face meetings.

**j. Employee involvement and communication**

ASSET Education is committed to high levels of employee involvement and good communication. Our distributed leadership model provides for school level leadership across the trust. School leaders are all part of the Education Improvement Team that meets regularly with the CEO and trust central team. Business Managers meet regularly with the CFO. Headteachers and Business Managers are responsible for cascading news and information from these meetings within their own schools. Other information is relayed to staff from the centre through regular trust newsletters, mailings, emails and staff training sessions. The views of staff are gathered by individual schools and in one annual trust survey. A Joint Consultative Committee is being set up with staff involvement.

**k. Engagement with employees (including disabled persons)**

ASSET Education is committed to ensuring that we are mindful of equality in all that we do. As an equal opportunities employer we seek to offer disabled members of staff the same conditions of service, employment rights, promotion and training opportunities as other members of staff in similar roles.

The Equality Act 2010 requires us to publish information that demonstrates that we have due regard for the need to:

- Eliminate unlawful discrimination and other conduct that is prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and people who do not;
- Foster good relations between people who share a protected characteristic and people who do not share it.

We seek to ensure that disabled staff, disabled staff who apply for a job within the organisation, or those that have a disability recognised whilst in our employment, have equality of opportunity.

We seek to make ASSET Education buildings accessible to all.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Structure, governance and management (continued)**

**I. Trade union facility time**

ASSET Education had one employee who was a union official during the year. No time or costs were incurred on facility time or trade union activities.

**Objectives and activities**

**a. Objects and aims**

The principal object and aim of the charitable company is the operation of a number of academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

**Vision: Our children deserve the very best; we strive to achieve excellence for all**

Our schools:

- are relentless in their drive towards consistently excellent practice and outcomes in all areas
- engage everyone in their mission to raise aspirations, improve learning and achieve success for every child
- seek to recognise and maximise individuals' strengths and energy in order to energise and empower
- build an inclusive, positive, resilient and optimistic culture
- go the extra mile to achieve equity for all pupils regardless of their starting points
- ensure that all pupils have strong core skills and can speak with confidence and knowledge about a range of subjects
- provide a curriculum that is irresistible, relevant and life enhancing for all learners
- support and challenge everyone to be the best they can be and aim for excellence
- make a positive contribution within their community to enable people to live happy, successful and fulfilled lives

This means that, as a group of schools, we:

- aim for excellence in all areas of school life by envisioning, sharing, researching, developing and innovating together
- build on the strengths of our people, growing their confidence and developing their expertise
- take collective responsibility, develop partnerships and collaborate at all levels with positivity and resilience
- Set no limits on what we can achieve and are relentless in always striving to improve

**Values that underpin our work:**

**Excellence** - We strive for excellence in every aspect of school life and achievement, tackling disadvantage and inequality with determination and a desire for success. We relentlessly pursue improvement keeping the highest expectations of all and for all. We work with professionalism and efficiency and are self disciplined, resilient and innovative in order to achieve our aims.

**Empowerment** - With a shared commitment to our vision and aspirations we empower individuals to be the best they can be. We balance ownership with accountability and build on strengths providing opportunities with positivity and optimism. We encourage trust by delegation and develop energetic, enthusiastic and committed leadership for improvement at all levels.

**Engagement** - Seeking out partnerships with others we value collaboration, cooperation and inclusion for the benefit of all. We take responsibility, acting with commitment, care and respect. We balance support with challenge to seek out the best. We commit to share, innovate and celebrate and require reflection and optimism.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Objectives and activities (continued)**

**Equity** - Recognising that starting points and barriers to learning are individual and unique to every learner we seek to provide whatever support, guidance and intervention we can in order to tackle disadvantage and discrimination wherever it exists. We strive to do everything within our capacity to remove the barriers to social mobility, working towards social justice.

**b. Public benefit**

The trustees believe that by working towards the objects and aims of the trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Strategic report**

**Achievements and performance**

**Overall performance**

The overall performance of schools across the trust is the responsibility of the CEO who is accountable to the trust board. A key factor is the provision of support for schools to enable them to succeed. All services, support and challenge provided for schools is measured by impact on school performance. School performance is linked to pay decisions for the CEO and headteachers in the trust.

**School performance**

Each school's performance is judged against a range of criteria and reported through the ASSET Data Dashboard. This is a live document which trustees and chairs of governors can access at any time. In addition to this, a standard suite of reporting templates are used to report to LGBs termly. These cover: pupil attainment and progress, quality of teaching and learning, pupil related data including attendance, behaviour, SEND and safeguarding. The overall performance of a school is the responsibility of the headteacher who is accountable to the CEO.

**Analysis**

Our growth strategy led to one additional school joining the trust in October 2019 and we have been successful in establishing our two hubs of schools, one based in Ipswich and the other in north-east Suffolk. This has enabled us to increase the central team's capacity to support schools and led to the appointment of a new executive role of Director of Strategy and the formation of a school improvement team with additional capacity to support our schools.

We are committed to developing strong links across our area and with other trusts and have improved our communications strategy.

ASSET schools were closed to the vast majority of pupils from 23rd March 2020 due to the pandemic.

During the closure period, education was provided for vulnerable children and children of key workers initially in hub schools and then in every school from 1st June 2020. A full remote learning package through google classrooms and seesaw enabled children to continue learning at home and schools kept in regular contact with all families.

Between 1st January and 23rd March, five of our schools had an Ofsted inspection. Apart from at one school, results were broadly as expected and reflected our internal self-evaluation. In four out of the five schools inspected, leadership and management, behaviour and attitudes, personal development were graded good. The fifth school, Bungay Primary, was judged inadequate overall because the quality of education was inadequate. All other areas were graded as 'requiring improvement'. The school is on a rapidly improving trajectory and we are working closely with the Regional Schools Commissioner.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Key Performance Indicators**

End of year assessments for 2019/2020 academic year were not carried out due to school closures.

The trust continues to review key performance indicators covering financial activities which includes balancing the budget and reporting on the salary costs as a percentage of income. The Schools Resource Management Self-Assessment Tool is completed as required by the ESFA which includes data to benchmark with similar schools and trusts. The finance committee also receive an Academies Benchmarking report each year comparing the trust with other trusts in Norfolk and Suffolk.

During the year schools had to adjust to working differently. Progress towards our strategic priorities was made and is summarised below:

- pupil achievement was tracked against minimum targets to February 2020
- measures were put in place to establish the overall quality of the remote learning experience for pupils
- a new full programme of staff training was accomplished in schools
- leadership training continued with whole trust responsibilities delegated
- a whole trust approach was taken to parental communications with frequent letters
- accurate and responsive risk assessment with standardised risk assessments were used across all schools saving individual leaders time and ensuring quality and standards were maintained
- schools were supported to prepare for and handle Ofsted inspections
- effective safeguarding of pupils at all levels was well led with consistent practice and support
- further consistency was achieved in MIS systems including assessment
- health and safety was a high priority with effective systems and procedures in place
- an internal trust website ASSET HQ was established to promote and improve collaboration
- payroll was brought in-house improving efficiency and accuracy
- central team roles were established to ensure that all aspects of the running of the trust are overseen effectively

The trustees receive regular information at each committee meeting to enable them to monitor the performance of the trust compared to aims, strategies and financial budgets.

**a. 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 basis can be found in the notes to the Financial Statements (Accounting Policies).

**b. Promoting the success of the company**

The Trustees have a legal responsibility under section 172 of the Companies Act 2006 to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal risks and uncertainties later within this Strategic Report.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

The principal source of funding for the trust is the General Annual Grant (GAG) and other grants that it receives from the Education Skills and Funding Agency (ESFA). For the year ended 31 August 2020, the trust received £20,924,558 (2019: £22,307,934) of GAG and other funding. This includes £1,752,981 (2019: £6,891,090) relating to income on conversion and transfers. A high percentage of this income is spent on wages and salaries and support costs to deliver the trust's primary objective of the provision of education. During the year, the trust spent £18,729,396 on expenditure with transfers to capital of £160,793 to support capital new build and improvement projects on the various academy sites. The trust brought forward from 2018/19, £775,564 restricted revenue funds and £631,530 unrestricted revenue funding. The carry forward for 2019/20 is £821,378 restricted revenue funding and £858,981 unrestricted revenue funding.

The trust also receives grants for fixed assets from the ESFA and other government bodies. In accordance with applicable accounting standards, such grants are shown as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. In the year, the trust received school condition allocation funding totalling £1,491,306 (2019: £Nil). At 31 August 2020, the value of unspent capital grants was £1,507,689 (2019: £705,026).

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the trust is recognising a significant pension fund deficit of £7,251,000 (2019: £5,016,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**a. Reserves policy**

The trustees are aware of the requirement to balance current and future needs and aim to build and maintain a revenue reserve to provide flexibility and certainty in forward planning. The current reserves policy is for each academy within the trust to hold revenue reserves equivalent to 3% of their General Annual Grant (GAG) income with a minimum reserve of £20,000. At 31 August 2020 this equated to a minimum required reserve level of £433,618. The actual reserves held by the 14 schools totalled £1,422,185 with a further £258,166 held as central trust reserves. All revenue reserves are controlled by the trust board including those transferred in upon conversion and cannot be spent without the approval of the board.

At 31 August 2020, the trust had the following reserves: unrestricted £858,981 (2019: £631,530), GAG £724,918 (2019: £654,606), other restricted £96,460 (2019: £120,958). This has been built up from a mixture of local activities and balances transferred from the predecessor schools. At 31 August 2020, all schools were holding revenue reserves of at least 3% of their GAG income or £20,000.

The balance of other restricted reserves represents approved funds carried forward for costs that will be incurred in 2020/21.

At 31 August 2020, the Trust had £31,869,638 (2019: £28,927,741) in the restricted fixed asset fund and this includes £30,361,951 of fixed assets.

The trustees monitor estimated year end carry forward figures via monthly reports generated by the academy business managers and collated by the chief finance officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The trustees monitor cash flow as part of the finance and audit committee agenda. The trust cash balance at 31 August 2020 was £3,809,580 (2019: £2,947,772).

**b. Investment policy**

Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the MGB.

The trust will take a very prudent approach to any deposits or investments that it makes by:

- ensuring financial security takes precedence over revenue maximisation;
- avoiding any types of investment that may be considered novel, contentious or potentially lacking in broad public support;
- taking professional advice where appropriate.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**c. Principal risks and uncertainties**

A central risk register is maintained, identifying the major risks, to which the trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the finance and audit committee and operations and risk committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the trustees at each finance and audit committee meeting. The principal risks facing the trust are outlined below; those facing the academies at an operational level are addressed by its systems and by internal financial and other controls.

The trustees report that the trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The trustees assess the other principal risks and uncertainties facing the trust as follows:

- Reputational - the continuing success of the individual academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards and ensuring the trust ethos, values and vision is evident in all schools. To mitigate this risk trustees ensure that student progress and outcomes are closely monitored and reviewed;
- Growth - the trust needs to grow in order to support an adequate central team that could lack the capacity to handle the growth. To mitigate this risk the trustees keep the composition of the central team under regular review and ensure that the trust buys in external expertise when needed in order to carry out thorough due diligence when necessary;
- Each academy within the trust has considerable reliance on continued government funding through the ESFA and there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks and ensure that trustees and governors are appointed with the expertise needed to fully support and challenge the trust;
- Safeguarding and child protection - the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the academies is reliant on the quality of its staff and the trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the trust has appointed M+A Partners LLP to carry out independent and external checks on financial systems and records through their internal audit service as required by the academy financial handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trust and each academy have continued to strengthen the risk management process throughout the year by improving the process and ensuring staff awareness.

The trust consider cash flow, credit and liquidity risks that are inherent in any organisation not to be a principal risk, this has been determined by monitoring the cash flow, liquidity and credit on a monthly basis.

**Fundraising**

The trust only held small fundraising events during the year including summer and Christmas fairs, discos and non uniform days. The trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Streamlined energy and carbon reporting**

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh)	806,360
<b>Energy consumption breakdown (kWh):</b>	
Gas	118,252
Electricity	647,017
Transport fuel - owned transport	4,203
Transport fuel - employee vehicles	36,889
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>	
Gas consumption	21.74
Owned transport	1.04
<b>Total scope 1</b>	<u>22.78</u>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>	
Purchased electricity	<u>150.85</u>
<b>Scope 3 emissions (in tonnes of CO2 equivalent):</b>	
Business travel in employee-owned or rental vehicles	<u>10.18</u>
<b>Total gross emissions (in tonnes of CO2 equivalent):</b>	<u><u>183.81</u></u>

The intensity ratio in tonnes of CO2 equivalent per pupil is 0.06.

The academy trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Plans for future periods**

**ASSET's 10 Strategic Priorities**

1. **Embed and communicate the trust's vision, values and aims** ensuring that the vision is widely understood and embraced by pupils, staff, parents, governors and the community, and the values are embodied in all aspects of the trust's work and evident in daily life – through excellent communication at all levels.
2. **Grow the trust** by ensuring our schools are full, providing alternative and SEND provision where viable, taking on additional schools and providing excellent quality traded services and support to schools in Suffolk.
3. **Improve standards of pupil achievement** across the curriculum to above national averages by ensuring known and evidenced best practice in school improvement is used across all schools consistently well.
4. **Ensure high quality teaching** all day, every day, developing evidence based pedagogy and best practice, knowing what works well and sharing that through use of toolkits, expert teachers and school leaders who can coach and empower to drive improvement with a relentless focus on classroom practice.
5. **Develop excellent curriculum provision** focusing on the accumulation of social and cultural capital to achieve outstanding outcomes so that pupils are keen to attend school, develop a love of learning, and see themselves as capable achievers with the knowledge and skills for life.
6. **Develop, empower and invest in our people**, taking a holistic view, investing in the good mental health and wellbeing of our workforce ensuring equity and diversity are championed and under-representation addressed by recruiting, training, inducting and developing the highest quality leaders with clear whole trust roles and accountability. Be the employer of choice for great.
7. **Ensure excellent quality assurance and risk management** processes so that swift action can be taken, barriers are identified and tackled efficiently and accurate information is provided to governors/board.
8. **Develop efficient and effective systems and processes** that have a direct impact on improved learning including strategically planning resources, improving value for money, use of time, making the most of shared resources, consistent and clear policies in all areas.
9. **Establish effective democratic governance** based firmly in the communities we serve, high skills and strong commitment to excellence through clear accountability, terms of reference, positive and active involvement to provide support and challenge to enable the success of the Trust.
10. **Be a successful, forward thinking trust** seeking out the best practice and expertise, forming links nationally and internationally, driving improvement in our schools with a 'smart' approach, to maximise impact and minimise unnecessary workload.

The Trust Strategic Plan is subject to regular review by the trust executive, the board and its committees. The detailed annual action plan is a live planning document. New improvements/actions are added to the Annual Cycle to ensure continual review. It is based on a thorough risk assessment which is re-visited at trustee meetings. At the Board meeting in the summer term trustees review the strategic direction of the trust and the priorities that have emerged from the latest round of self-evaluation and review.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Plans for future periods (continued)**

A whole self-evaluation framework has been developed for ASSET schools which is based on our values of excellence, empowerment, engagement and equity. It forms the central core of school improvement and is designed to link with school activities without creating additional work. It is based on self-assessment against statements of excellence that have been written collaboratively and are open to constant refinement and improvement. All staff are involved in the self-evaluation process and are responsible for identifying what they need to develop and improve both personally and within their phase or school. As a whole, our self-evaluation process provides a complete evaluatory picture of the school which helps us to define our main priorities, keeps us on track towards them, improves our accuracy in knowing where the key risks are and enables school leaders, governors and the trust board to know our schools well. Internal monitoring is an essential part of this process.

At a meeting of trustees in July 2020 the following priorities were identified as taking precedence in 2020/2021 due to the changing circumstances that the trust and schools are in because of the coronavirus pandemic. It was agreed that we need to take a holistic, humanistic view of personal development and growth over the next couple of years and that we will aim to:

- Develop the personal resilience, capacity and agency of our staff and pupils
- Develop and expand our collective capacity, recognising the contextual nature of leadership
- Actively promote democracy and choice to develop active citizens
- Embrace learning in all its forms and especially the influence of the family
- Overcome barriers especially in IT and language (ie home language of parents)
- Be really good at developing the social and cultural capital of our pupils
- Evaluate our success by looking at how we develop the autonomy of the 'whole person'

In order to do this we will build on and expand our 'complete human strategy' with a particular focus on spaces, people and parents. We will renew and re-energize our vision and ensure our values are firmly rooted in our practice. We will be clear about what we are all expected to do, because it is good practice, who is responsible for what, and demand compliance when it matters most. We will focus our school improvement on securing a shift in the quality of the curriculum and classroom delivery, holding the right people to account and improving our leaders' ability and capacity to improve what needs improving. We will future proof by improving risk management and internal scrutiny and plan actions to strengthen our central core offer and improve consistency of practice across schools.

**Priorities for 2020/2021**

- **Develop teaching expertise** to ensure disadvantaged pupils catch up and all pupils develop meta-cognition and self-regulation to be able to cope with further isolation. Become pedagogical experts, use evidence based practice and share what works well.
- **Improve subject knowledge** of staff and pupils across the curriculum with a focus on reading, oracy and vocabulary.
- **Develop the social and cultural capital** of our pupils and the spiritual aspect of SMSC in schools.
- **Review our curriculum** to ensure positive promotion of BLM, environmental issues and equality, diversity and inclusion.
- **Embed our complete human strategy** - focusing on spaces, people and parents.
- **Invest in parents and support for families**, pastoral and learning networks including flexi-schooling options.
- **Understand and manage risk across the organisation**, improving our internal scrutiny, audit and compliance checking processes, accuracy of data collection and analysis, use and reporting.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Plans for future periods (continued)**

- **Streamline our systems**, processes, contracts and practice across the trust to save time, reduce workload, improve efficiency, improve sustainability and reduce our impact on the environment.
- **Provide access to IT for all pupils** in order to work at home or in school.
- Ensuring that we take the lessons learned over the pandemic, build on them and create a more positive future as a result, engaging with as many people as possible in order to understand how we can make life better for individuals, the family/community and the school.

Value of the year: **Excellence** - re-focusing on descriptions of excellence across whole trust (link with risk management and compliance checks).

**Future growth and development of the Trust**

We aim to continue to grow the trust to a size that is viable and sustainable both financially and in order to continue to secure improvement. Growth plans include developing our services to schools, maximising pupil numbers in schools and improving our marketing and communications.

Trustees are keen for ASSET Education to be highly involved in the Ipswich Opportunity Area initiatives as we recognise the challenges that schools in Ipswich face. This involvement has been a focus for our work over this year and has brought in additional resources that will benefit all of our schools.

**Funds held as custodian on behalf of others**

**NCTL Schools Direct Salaried (SDS) Programme**

The trust distributes SDS funding as an agent for the Department for Education. In the year, the trust received £18,247 and disbursed £18,247 from the fund. No amounts were held at the year end (2019: £0).

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 Dec 2020 and signed on its behalf by:

*John West-Burnham*

**Professor John West-Burnham**  
Chair of Trustees

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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that ASSET Education 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 ASSET Education and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year with one additional meeting where questions were taken and responded to. There were also six additional steering committee meetings throughout the school closure period.

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

Trustee	Meetings attended	Out of a possible
Professor J H West-Burnham, Chair of Trustees	3	4
E Casey, Vice Chair, Chair of Area Governance Ipswich	3	4
G H Clarke	2	4
N Denny	4	4
S J P Evans-Evans	0	0
C E Flintoff, CEO/Accounting Officer	3	4
C E Gartland	1	1
B D Gostling, Finance and Audit Chair	3	4
M C B Mattinson, Chair of Governance Waveney	4	4
J J Pentreath, Principal Director	3	4
G R Stevens, Operations Chair	3	4
E P Whitehead	0	0
S Wilkinson	3	3

**Review of year:**

Greater separation between members and trustees was achieved last year and this has been strengthened by the addition of a fifth member, Clare Gartland, who resigned as a trustee during the autumn 2019 but was elected as a member in January 2020. One new trustee joined the Trust Board over the year.

Trustees have evaluated their own effectiveness and undertaken a skills audit which led to the selection of two new trustees, through the Academy Ambassadors programme, for the 2020/2021 academic year. Trustees have considered the quality of the data they use and have found it acceptable as they are provided with information from both internal and external sources which has been benchmarked locally and nationally.

All LGBs are required to self review against ASSET Governance Excellence Statements and report their findings to the Area Governance Committee. Trustees have designed their own self evaluation tool based on DfE guidance and have designed review questions to address at each meeting on an on going basis.

The findings of an external review into leadership and governance last year have been built on. As a result the

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

following improvements have been made:

- Better information has been circulated to governors and trustees by the trust executive
- NGA training/learning modules have been available to all governors and trustees
- Headteachers have been tasked to ensure that data training with governors takes place
- Additional Ofsted preparation training sessions have been run for governors
- Links between LGBs have been strengthened to ensure consistency
- The reliance on the CEO has been discussed and further trust executive roles established

In line with DfE guidance, LGBs have not undertaken their full monitoring duties throughout 2019/2020 due to the pandemic in order to reduce the burden on school staff.

A training session was organised for the new trust executive clerk with M&A Partners as part of her induction. The session was conducted as if it was a governance audit and had the following scope: compliance with the Trust Objects and Articles of Association; board and committee composition and experience; management of conflicts of interest; communication between the trust and LGBs; compliance with the Charity Governance Code issued by the NGA. The training session found the governance control environment to be good and identified some areas for further improvements to be made before the next audit.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees.

The purpose, remit and membership of the committee has remained the same with meetings divided into two parts: finance and audit. Executive members sit as observers for the audit part.

During the year the committee noted the financial health of the trust and its improved reserves position. The committee approved 3 year budget plans for schools and the trust central budget and noted the challenges that schools face with increased costs. Some applications to access school reserves were approved following recommendations from the CEO.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B D Gostling (Chair)	2	3
E Casey	2	3
C Flintoff	3	3
C Johnson	3	3
P Mutumburi	1	3

Steering Committee is also a sub-committee of the main Board of Trustees. Its purpose is to replace full board meetings during the COVID 19 pandemic allowing these meetings to be on a virtual platform and to concentrate on the unique challenges that the Trust is facing during the pandemic.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J West-Burnham	5	5
E Casey	3	5
G H Clarke	3	5
C Flintoff	5	5
B Gostling	4	5
C Mattinson	5	5
J Pentreath	5	5
G Stevens	3	5
S Wilkinson	3	3

**Review of value for money**

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

The accounting officer considers how the academy 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- consolidating academy contracts
- joint procurement
- further developing distributed leadership roles

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in ASSET Education for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has decided to employ M&A Partners as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of income controls (specifically cash)
- Governance (see note above)
- Testing of purchase controls

On a termly basis, the internal auditor reports to the Board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

**Review of effectiveness**

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

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

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

Approved by order of the members of the Board of Trustees on 10 Dec 2020  
their behalf by:

and signed on

*John West-Burnham*

**Professor John West-Burnham**  
Chair of Trustees

*C Flintoff*

Clare Flintoff (Dec 10, 2020, 3:22pm)

**C E Flintoff**  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of ASSET Education I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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

*C Flintoff*

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C E Flintoff (Dec 10, 2020, 3:22pm)

Accounting Officer

Date: 10 Dec 2020

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on  
10 Dec 2020 and signed on its behalf by:

*John West-Burnham*

**Professor John West-Burnham**  
Chair of Trustees



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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET EDUCATION**

**Opinion**

We have audited the financial statements of ASSET Education (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET EDUCATION (CONTINUED)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (including the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report (including the Strategic Report and Directors' Report) has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (including the Strategic Report and Directors' Report).

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET EDUCATION (CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

**John Warren BSc FCA (Senior Statutory Auditor)**

for and on behalf of

**Price Bailey LLP**

**Reporting Accountant**

Chartered Accountants

Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

Date: 11 December 2020

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSET  
EDUCATION AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ASSET Education during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of ASSET Education's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of ASSET Education's funding agreement with the Secretary of State for Education dated 27 April 2017 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance;
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities;
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance;
- Discussions with and representations from the Accounting Officer and other key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Price Bailey LLP**  
**Reporting Accountant**  
Chartered Accountants  
Statutory Auditors  
Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR

Date: 11 December 2020

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants:	3					
Income on transfer from other trust		-	-	-	-	5,906,957
Income on conversion from local authority		(119,000)	1,859,542	12,439	1,752,981	984,133
Other donations and capital grants		3,266	1,788,407	30,836	1,822,509	1,480,129
Charitable activities	4	16,892,028	-	377,722	17,269,750	13,865,186
Other trading activities	5	-	-	72,260	72,260	62,906
Investments	6	-	-	7,058	7,058	8,623
<b>Total income</b>		<b>16,776,294</b>	<b>3,647,949</b>	<b>500,315</b>	<b>20,924,558</b>	<b>22,307,934</b>
<b>Expenditure on:</b>						
Charitable activities	7	17,589,687	866,845	272,864	18,729,396	14,604,859
<b>Total expenditure</b>		<b>17,589,687</b>	<b>866,845</b>	<b>272,864</b>	<b>18,729,396</b>	<b>14,604,859</b>
<b>Net (expenditure) /income</b>		<b>(813,393)</b>	<b>2,781,104</b>	<b>227,451</b>	<b>2,195,162</b>	<b>7,703,075</b>

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Net (expenditure)/ income brought forward</b>		(813,393)	2,781,104	227,451	2,195,162	7,703,075
Transfers between funds	20	(160,793)	160,793	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		(974,186)	2,941,897	227,451	2,195,162	7,703,075
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	28	(1,215,000)	-	-	(1,215,000)	(1,858,000)
<b>Net movement in funds</b>		(2,189,186)	2,941,897	227,451	980,162	5,845,075
<b>Reconciliation of funds:</b>						
Total funds brought forward		(4,240,436)	28,927,741	631,530	25,318,835	19,473,760
Net movement in funds		(2,189,186)	2,941,897	227,451	980,162	5,845,075
<b>Total funds carried forward</b>		(6,429,622)	31,869,638	858,981	26,298,997	25,318,835

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 65 form part of these financial statements.



**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09434926**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	30,361,951	28,222,715
		<u>30,361,951</u>	<u>28,222,715</u>
<b>Current assets</b>			
Stocks	16	2,699	4,515
Debtors	17	904,463	911,314
Cash at bank and in hand		3,809,580	2,947,772
		<u>4,716,742</u>	<u>3,863,601</u>
Creditors: amounts falling due within one year	18	(1,498,184)	(1,734,853)
<b>Net current assets</b>		<u>3,218,558</u>	<u>2,128,748</u>
<b>Total assets less current liabilities</b>		<u>33,580,509</u>	<u>30,351,463</u>
Creditors: amounts falling due after more than one year	19	(30,512)	(16,628)
<b>Net assets excluding pension liability</b>		<u>33,549,997</u>	<u>30,334,835</u>
Defined benefit pension scheme liability	28	(7,251,000)	(5,016,000)
<b>Total net assets</b>		<u><u>26,298,997</u></u>	<u><u>25,318,835</u></u>

**ASSET EDUCATION**  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 09434926

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	31,869,638	28,927,741
Restricted income funds	20	821,378	775,564
Restricted funds excluding pension asset	20	32,691,016	29,703,305
Pension reserve	20	(7,251,000)	(5,016,000)
<b>Total restricted funds</b>	20	25,440,016	24,687,305
<b>Unrestricted income funds</b>	20	858,981	631,530
<b>Total funds</b>		26,298,997	25,318,835

The financial statements on pages 29 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*John West-Burnham*

John West-Burnham (Dec 10, 2020)  
**Professor J H West-Burnham**  
Chair of Trustees

10 Dec 2020

The notes on pages 34 to 65 form part of these financial statements.

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	662,868	869,779
<b>Cash flows from investing activities</b>	24	185,710	374,481
<b>Cash flows from financing activities</b>	23	13,230	1,373
<b>Change in cash and cash equivalents in the year</b>		861,808	1,245,633
Cash and cash equivalents at the beginning of the year		2,947,772	1,702,139
<b>Cash and cash equivalents at the end of the year</b>	25, 26	<u>3,809,580</u>	<u>2,947,772</u>

The notes on pages 34 to 65 form part of these financial statements

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

ASSET Education meets the definition of a public benefit entity under FRS 102.

ASSET Education is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of its registered office is St Helen's Primary School, Woodbridge Road, Ipswich, Suffolk, IP4 2LT.

The accounts have been prepared in pounds sterling and rounded to the nearest pound.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust 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.

During the year, the Academy Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy Trust were not able to continue as a going concern.

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.3 Income**

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

**1.4 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.5 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 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.

**1.7 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.

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

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

Leasehold land	- Over lease term
Leasehold buildings	- Over estimated useful life per the valuation or a maximum of 50 years
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**1.8 Stock**

Stocks and work in progress are valued at the lower of cost and net realisable value.

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 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.

**1.12 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are

**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.12 Financial instruments (continued)**

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

**1.13 Pensions**

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.

**1.14 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Ringshall Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.



**ASSET EDUCATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. Accounting policies (continued)**

**1.15 Operating leases**

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

**1.16 Agency arrangements**

The Academy Trust acts as an agent in distributing SDS funding on behalf of the Department for Education. The Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in 32.

**1.17 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Critical areas of judgment:

There were no areas of judgment used in the preparation of these financial statements.

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**3. Income from donations and capital grants**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Donations</b>					
Income on conversion from local authority	(119,000)	1,859,542	12,439	1,752,981	984,133
Income on transfer from other academy trust	-	-	-	-	5,906,957
Other donations	3,266	7,640	30,836	41,742	51,645
<b>Total Donations</b>	<b>(115,734)</b>	<b>1,867,182</b>	<b>43,275</b>	<b>1,794,723</b>	<b>6,942,735</b>
Capital Grants	-	1,780,767	-	1,780,767	1,428,484
<b>Total Grants</b>	<b>-</b>	<b>1,780,767</b>	<b>-</b>	<b>1,780,767</b>	<b>1,428,484</b>
	<b>(115,734)</b>	<b>3,647,949</b>	<b>43,275</b>	<b>3,575,490</b>	<b>8,371,219</b>
<b>Total 2019</b>	<b>(803,000)</b>	<b>9,131,848</b>	<b>42,371</b>	<b>8,371,219</b>	

In 2019, income transferred on conversion from local authority was £984,133 of which (£1,324) was unrestricted and £985,457 was restricted and restricted fixed assets.

In 2019, income on transfer from other academy trust was all restricted and restricted fixed assets.

In 2019, income from donations was £51,645 of which £43,695 was unrestricted and £7,950 was restricted and restricted fixed assets.

In 2019, capital grants of £1,428,484 were in relation to restricted fixed assets.

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4. Funding for the academy trust's provision of education**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	12,991,781	-	12,991,781	10,362,580
Other DfE/ESFA grants	2,447,237	-	2,447,237	1,885,913
Start up grant	-	-	-	25,000
	<u>15,439,018</u>	<u>-</u>	<u>15,439,018</u>	<u>12,273,493</u>
<b>Other government grants</b>				
Local authority grants	1,398,468	550	1,399,018	1,114,458
Other government grants	54,542	965	55,507	16,214
	<u>1,453,010</u>	<u>1,515</u>	<u>1,454,525</u>	<u>1,130,672</u>
<b>Other income from the academy trust's educational operations</b>				
Other income	-	259,945	259,945	316,652
Catering income	-	116,262	116,262	144,369
	<u>-</u>	<u>376,207</u>	<u>376,207</u>	<u>461,021</u>
	<u>16,892,028</u>	<u>377,722</u>	<u>17,269,750</u>	<u>13,865,186</u>
Total 2019	<u>13,403,388</u>	<u>461,798</u>	<u>13,865,186</u>	

In 2019, income from DfE/ESFA grants was £12,273,493 which all was restricted.

In 2019, income from other government grants was £1,114,458 of which £2,249 was unrestricted and £1,112,209 was restricted.

In 2019, other income from the academy trust's educational operations amounted to £477,235 of which £459,549 was unrestricted and £17,686 was restricted.

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Income from other trading activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	25,853	25,853	20,492
Sale of goods and services	20,757	20,757	37,732
Insurance income	25,650	25,650	4,682
	<u>72,260</u>	<u>72,260</u>	<u>62,906</u>
Total 2019	<u>62,906</u>	<u>62,906</u>	

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>7,058</u>	<u>7,058</u>	<u>8,623</u>
Total 2019	<u>8,623</u>	<u>8,623</u>	

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**7. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	13,298,582	-	831,117	14,129,699	10,642,475
Allocated support costs	1,687,228	895,337	2,017,132	4,599,697	3,962,384
	<u>14,985,810</u>	<u>895,337</u>	<u>2,848,249</u>	<u>18,729,396</u>	<u>14,604,859</u>
Total 2019	<u>10,964,483</u>	<u>784,273</u>	<u>2,856,103</u>	<u>14,604,859</u>	

In 2019, direct expenditure consisted of £9,722,489 staff costs and £919,986 other costs.

In 2019, support expenditure consisted of £1,241,994 staff costs, £784,273 premises costs and £1,936,117 other costs.

In 2020, of the total expenditure, £272,864 (2019: £402,769) was to unrestricted funds, £17,708,687 (2019: £13,462,258) was to restricted funds and £866,845 (2019: £739,832) was to restricted fixed asset funds.

**ASSET EDUCATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**8. Charitable Activities**

	2020 £	2019 £
Direct costs - educational operations	14,129,699	10,642,475
Support costs - educational operations	4,599,698	3,962,384
	<u>18,729,397</u>	<u>14,604,859</u>

**Analysis of support costs**

	2020 £	2019 £
Support staff costs	1,687,228	1,241,994
Depreciation and loss on disposal	866,846	739,832
Technology costs	127,006	99,987
Premises costs	895,337	784,273
Legal costs - on conversion	2,860	6,623
Legal costs - on transfer	-	18,356
Legal costs - other	6,702	11,107
Other support costs	977,772	1,028,775
Governance costs	35,947	31,437
	<u>4,599,698</u>	<u>3,962,384</u>

**9. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	42,362	55,717
Depreciation of tangible fixed assets	859,439	661,260
Loss on disposal of fixed assets	7,406	78,572
Governance internal audit costs	3,118	2,762
Fees paid to auditors for:		
- audit	13,800	12,700
- other services	11,885	11,540
	<u></u>	<u></u>

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**10. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	13,800	12,700
Fees payable to the academy trust's auditor and its associates in respect of:		
Audit-related assurance services	2,570	3,590
All taxation advisory services not included above	235	-
All non-audit services not included above	<u>7,005</u>	<u>5,950</u>
 Fees payable to the academy trust's auditor and its associates in connection with the academy trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	<u>2,075</u>	<u>2,000</u>

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**11. Central services**

The academy trust has provided the following central services to its academies during the year:

- Human Resources
- Legal and Professional Services
- Financial Services
- Educational Support Services
- Payroll Services
- Health and Safety Services
- Premises Services

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

5% of GAG income, plus IT and school business manager charges where applicable.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Bungay Primary School	48,940	46,633
Castle Hill Infant School	76,788	39,413
Castle Hill Junior School	92,803	45,188
Cliff Lane Primary School	114,133	56,070
Edgar Sewter Community Primary School	58,979	55,089
Holton St Peter Community Primary School	28,368	28,601
Ilketshall St Lawrence School	27,093	26,055
Ringshall Primary School	28,490	-
St Helen's Primary School	114,443	106,871
Shotley Primary School	43,280	33,871
Stutton Church of England Primary School	16,640	14,873
The Beeches Community Primary School	83,712	86,080
The Oaks Primary School	108,008	105,353
Wenhaston Primary School	26,691	24,269
<b>Total</b>	<b>868,368</b>	<b>668,366</b>



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**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	10,714,686	8,287,154
Social security costs	898,146	687,218
Pension costs	3,245,337	1,908,310
	<u>14,858,169</u>	<u>10,882,682</u>
Agency staff costs	127,641	81,801
	<u>14,985,810</u>	<u>10,964,483</u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	195	162
Administration and support	370	281
Management	16	13
	<u>581</u>	<u>456</u>

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**12. Staff (continued)**

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	4	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>2</u>	<u>5</u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,318,254 (2019 £990,004). This includes employers national insurance of £116,350 (2019: £91,648) and employer pension costs of £220,126 (2019: £123,545).

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an 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. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
C E Flintoff, CEO/Accounting Officer	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
		70,000 - 75,000	65,000 - 70,000
J J Pentreath, Principal Director	Remuneration	70,000 - 75,000	65,000 - 70,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
		70,000 - 75,000	65,000 - 70,000

During the year, retirement benefits were accruing to 2 Trustees (2019 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £1,847 were reimbursed or paid directly to 2 Trustees (2019 - £2,714 to 4 Trustees) for phone costs and travel costs.

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**14. Trustees' and Officers' insurance**

The academy trust has opted into the Department of 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 membership.

**15. Tangible fixed assets**

	Long-term leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	28,537,034	550,143	567,300	245,550	29,900,027
Additions	440,294	500,702	125,749	91,044	1,157,789
Assets on conversion	1,848,292	-	-	-	1,848,292
Disposals	(7,573)	-	-	-	(7,573)
Transfers between classes	428,244	(428,244)	-	-	-
At 31 August 2020	31,246,291	622,601	693,049	336,594	32,898,535
<b>Depreciation</b>					
At 1 September 2019	1,327,348	-	208,702	141,262	1,677,312
Charge for the year	680,140	-	118,265	61,034	859,439
On disposals	(167)	-	-	-	(167)
At 31 August 2020	2,007,321	-	326,967	202,296	2,536,584
<b>Net book value</b>					
At 31 August 2020	29,238,970	622,601	366,082	134,298	30,361,951
At 31 August 2019	27,209,686	550,143	358,598	104,288	28,222,715

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**16. Stocks**

	2020 £	2019 £
Uniform	1,774	2,296
Fuel	925	1,930
Stationery	-	289
	<u>2,699</u>	<u>4,515</u>

**17. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	1,205	14,634
Other debtors	8,108	1,518
Prepayments and accrued income	839,855	662,301
VAT recoverable	55,295	232,861
	<u>904,463</u>	<u>911,314</u>

**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	10,342	10,996
Trade creditors	266,486	374,460
Other taxation and social security	204,992	189,990
Other creditors	287,631	221,077
Accruals and deferred income	728,733	938,330
	<u>1,498,184</u>	<u>1,734,853</u>

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**18. Creditors: Amounts falling due within one year (continued)**

	2020 £	2019 £
	2020 £	2019 £
Deferred income at 1 September 2019	408,261	224,253
Resources deferred during the year	410,644	408,261
Amounts released from previous periods	(408,261)	(224,253)
	<u>410,644</u>	<u>408,261</u>

At 31 August 2020, the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, rates relief, early years funding and trip income.

**19. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	<u>30,512</u>	<u>16,628</u>

The three salix loans included in Other Loans are to be repaid over a maximum period of 8 years on a straight line basis. There is no interest due on the loans.

Included within the above are amounts falling due as follows:

	2020 £	2019 £
<b>Between one and two years</b>		
Salix loan	<u>4,547</u>	<u>7,219</u>
<b>Between two and five years</b>		
Salix loan	<u>13,844</u>	<u>5,286</u>
<b>Over five years</b>		
Salix loan	<u>12,121</u>	<u>4,123</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted	601,454	500,315	(275,717)	-	-	826,052
Designated	30,076	-	2,853	-	-	32,929
	<u>631,530</u>	<u>500,315</u>	<u>(272,864)</u>	<u>-</u>	<u>-</u>	<u>858,981</u>
<b>Restricted general funds</b>						
GAG	654,606	12,991,781	(12,771,268)	(150,201)	-	724,918
Start up grant	20,590	-	(21,033)	443	-	-
Pupil Premium	-	1,083,901	(1,083,901)	-	-	-
Other DfE/ESFA grants	25,649	1,398,898	(1,392,917)	(1,960)	-	29,670
Local authority funds	71,278	1,366,266	(1,374,064)	(440)	-	63,040
Other restricted funds	3,441	54,448	(45,504)	(8,635)	-	3,750
Pension reserve	(5,016,000)	(119,000)	(901,000)	-	(1,215,000)	(7,251,000)
	<u>(4,240,436)</u>	<u>16,776,294</u>	<u>(17,589,687)</u>	<u>(160,793)</u>	<u>(1,215,000)</u>	<u>(6,429,622)</u>
<b>Restricted fixed asset funds</b>						
Assets on conversion	18,400,381	1,859,542	(525,812)	-	-	19,734,111
Assets on transfer	6,608,827	-	(135,822)	-	-	6,473,005
DfE/ESFA grants	3,635,214	1,778,396	(101,670)	(13,892)	-	5,298,048
Capital expenditure from GAG	205,317	-	(68,463)	168,576	-	305,430
Other capital donations and grants	78,002	10,011	(35,078)	6,109	-	59,044
	<u>28,927,741</u>	<u>3,647,949</u>	<u>(866,845)</u>	<u>160,793</u>	<u>-</u>	<u>31,869,638</u>
<b>Total funds</b>	<u>25,318,835</u>	<u>20,924,558</u>	<u>(18,729,396)</u>	<u>-</u>	<u>(1,215,000)</u>	<u>26,298,997</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Statement of funds (continued)**

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

**General Annual Grant**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfers to and from GAG relate to a contribution from GAG funding towards the purchase of capital assets during the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**Start Up Grant**

This represents a grant to aid with start up costs for new academies on conversion into the Trust.

**Pupil Premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Other DfE/ESFA grants**

This represents other grants from the government towards the provision of education.

**Local authority funds**

This represents other funding received from other bodies towards a specific purpose.

**Other restricted**

This represents funding received from other bodies towards a specific purpose.

**Pension reserve**

This fund represents the Trust's share of the deficit in the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 28 based on the period end actuarial valuation.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**20. Statement of funds (continued)**

**Restricted fixed asset fund**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. Included within the balance at 31 August 2020 is the net book value of fixed assets totalling £30,361,951, current assets of £1,753,939, creditors of £207,849, and salix loans of £38,403.

**Designated funds**

This fund has been set aside as a contingency pot for replacement of large items of kitchen equipment.

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Bungay Primary School	107,267	58,142
Castle Hill Infant School	73,018	50,170
Castle Hill Junior School	155,248	83,886
Cliff Lane Primary School	175,292	106,422
Edgar Sewter Community Primary School	79,930	73,490
Holton St Peter Community Primary School	77,648	55,221
Ilketshall St Lawrence School	36,159	38,189
Ringshall Primary School	21,277	-
St Helen's Primary School	120,863	110,807
Shotley Primary School	37,823	8,594
Stutton CE Primary School	79,704	97,300
The Beeches Community Primary School	262,377	251,922
The Oaks Primary	134,818	99,343
Wenhaston Primary School	60,765	50,406
ASSET Education	258,170	323,202
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,680,359	1,407,094
Restricted fixed asset fund	31,869,638	28,927,741
Pension reserve	(7,251,000)	(5,016,000)
	<hr/>	<hr/>
<b>Total</b>	<b>26,298,997</b>	<b>25,318,835</b>
	<hr/>	<hr/>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Bungay Primary School	773,215	146,710	36,151	74,236	1,030,312	1,030,053
Castle Hill Infant School	923,920	76,370	32,603	82,879	1,115,772	545,726
Castle Hill Junior School	1,200,732	115,668	97,621	140,498	1,554,519	644,426
Cliff Lane Primary School	1,342,850	134,889	61,992	179,645	1,719,376	796,046
Edgar Sewter Primary School	1,015,318	123,993	42,814	118,522	1,300,647	1,209,279
Holton St Peter Community Primary School	329,604	48,645	24,514	48,436	451,199	447,143
Ilketshall St Lawrence School	382,880	70,165	14,320	49,457	516,822	488,003
The Oaks Primary School	1,651,727	216,010	117,248	116,102	2,101,087	2,019,587
St Helen's Primary School	1,444,779	236,337	77,274	177,268	1,935,658	1,769,773
Shotley Primary School	484,303	42,322	45,448	120,874	692,947	666,426
Stutton CE Primary School	202,713	19,957	11,566	39,478	273,714	249,605
The Beeches Community Primary School	1,260,984	215,614	90,548	155,114	1,722,260	1,706,418
Wenhaston Primary School	335,073	55,741	17,926	52,749	461,489	431,219
ASSET Education	296,078	1,371,592	16,350	763,988	2,448,008	1,861,323
Ringshall Primary School	388,135	54,366	22,685	73,555	538,741	-
<b>Academy trust</b>	<b>12,032,311</b>	<b>2,928,379</b>	<b>709,060</b>	<b>2,192,801</b>	<b>17,862,551</b>	<b>13,865,027</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted	450,655	575,698	(424,899)	-	-	601,454
Designated	7,946	-	22,130	-	-	30,076
	<u>458,601</u>	<u>575,698</u>	<u>(402,769)</u>	<u>-</u>	<u>-</u>	<u>631,530</u>
<b>Restricted general funds</b>						
GAG	290,363	10,366,106	(9,986,389)	(15,474)	-	654,606
Start up grant	29,068	25,000	(31,598)	(1,880)	-	20,590
Pupil Premium	-	986,705	(986,705)	-	-	-
Other DfE/ESFA grants	139,560	956,553	(1,062,370)	(8,094)	-	25,649
Local authority funds	2,372	1,052,814	(937,506)	(46,402)	-	71,278
Other restricted funds	6,921	20,210	(21,690)	(2,000)	-	3,441
Pension reserve	(1,915,000)	(807,000)	(436,000)	-	(1,858,000)	(5,016,000)
	<u>(1,446,716)</u>	<u>12,600,388</u>	<u>(13,462,258)</u>	<u>(73,850)</u>	<u>(1,858,000)</u>	<u>(4,240,436)</u>
<b>Restricted fixed asset funds</b>						
Assets on conversion	17,937,921	1,021,457	(558,997)	-	-	18,400,381
Assets on transfer	-	6,677,957	(69,130)	-	-	6,608,827
DfE/ESFA grants	2,299,324	1,418,484	(26,198)	(56,396)	-	3,635,214
Capital expenditure from GAG	179,523	-	(59,021)	84,815	-	205,317
Other capital donations and grants	45,107	13,950	(26,486)	45,431	-	78,002

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	20,461,875	9,131,848	(739,832)	73,850	-	28,927,741
<b>Total Restricted funds</b>	19,015,159	21,732,236	(14,202,090)	-	(1,858,000)	24,687,305
<b>Total funds</b>	19,473,760	22,307,934	(14,604,859)	-	(1,858,000)	25,318,835

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

**Analysis of net assets between funds - current period**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	30,361,951	-	30,361,951
Current assets	2,071,521	1,753,938	891,283	4,716,742
Creditors due within one year	(1,250,143)	(216,805)	(31,236)	(1,498,184)
Creditors due in more than one year	-	(29,446)	(1,066)	(30,512)
Provisions for liabilities and charges	(7,251,000)	-	-	(7,251,000)
<b>Total</b>	<b>(6,429,622)</b>	<b>31,869,638</b>	<b>858,981</b>	<b>26,298,997</b>

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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	28,222,715	-	28,222,715
Current assets	1,811,445	1,320,888	731,268	3,863,601
Creditors due within one year	(1,035,881)	(615,862)	(83,110)	(1,734,853)
Creditors due in more than one year	-	-	(16,628)	(16,628)
Provisions for liabilities and charges	(5,016,000)	-	-	(5,016,000)
<b>Total</b>	<b>(4,240,436)</b>	<b>28,927,741</b>	<b>631,530</b>	<b>25,318,835</b>

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	2,195,162	7,703,075
<b>Adjustments for:</b>		
Depreciation	859,439	661,260
Capital grants from DfE	(1,780,767)	(1,428,484)
Assets transferred on conversion	(1,848,292)	(1,021,457)
Assets transferred from other trust	-	(6,677,957)
Pension adjustment	1,020,000	1,243,000
Decrease/(increase) in stocks	1,816	(1,075)
Decrease/(increase) in debtors	122,971	(128,956)
Increase in creditors	111,081	454,374
Dividends, interest and rents from investments	(7,058)	(8,623)
Loss on the sale of fixed assets	7,406	78,572
Donated assets	(7,640)	(3,950)
Capital Income on conversion	(11,250)	-
<b>Net cash provided by operating activities</b>	<b>662,868</b>	<b>869,779</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Cash flows from financing activities**

	2020 £	2019 £
Repayments of borrowing	(9,621)	(9,621)
New loans taken out	21,329	10,994
Loans inherited on conversion	1,522	-
<b>Net cash provided by financing activities</b>	<b>13,230</b>	<b>1,373</b>

**24. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	7,058	8,623
Purchase of tangible fixed assets	(1,504,885)	(1,746,612)
Capital grants from DfE and other capital income	1,683,537	2,112,470
<b>Net cash provided by investing activities</b>	<b>185,710</b>	<b>374,481</b>

**25. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	3,809,580	2,947,772
<b>Total cash and cash equivalents</b>	<b>3,809,580</b>	<b>2,947,772</b>

**26. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	New Salix Loans £	At 31 August 2020 £
Cash at bank and in hand	2,947,772	861,808	-	3,809,580
Debt due within 1 year	(10,996)	3,777	(3,123)	(10,342)
Debt due after 1 year	(16,628)	5,845	(19,729)	(30,512)
	<b>2,920,148</b>	<b>871,430</b>	<b>(22,852)</b>	<b>3,768,726</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Conversion to an academy trust**

On 1 October 2019 Ringshall Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ASSET Education from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	1,848,292	1,848,292
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	5,714	-	12,773	18,487
Accrued income and prepayments	19,847	-	-	19,847
<b>Current liabilities</b>				
Deferred Income	(13,122)	-	-	(13,122)
Salix Loan	-	-	(1,523)	(1,523)
Pensions - pension scheme assets less liabilities	-	(119,000)	-	(119,000)
<b>Net assets/(liabilities)</b>	<u>12,439</u>	<u>(119,000)</u>	<u>1,859,542</u>	<u>1,752,981</u>

**28. Pension commitments**

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 Suffolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £271,244 were payable to the schemes at 31 August 2020 (2019 - £212,683) and are included within creditors.

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**28. Pension commitments (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,523,666 (2019 - £826,643).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in 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.

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**28. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,131,168 (2019 - £869,000), of which employer's contributions totalled £920,310 (2019 - £713,000) and employees' contributions totalled £ 194,420 (2019 - £156,000). The agreed contribution rates for future years are 24 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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**

	2020 %	2019 %
Rate of increase in salaries	2.90	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Commutation of pensions to lump sums	25.00	25.00

The commutation rate of 25% relates to pre-April 2008 service and increased to 63% for post-April 2008 service.

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

	2020 Years	2019 Years
Retiring today		
Males	21.9	21.3
Females	24.1	23.5
Retiring in 20 years		
Males	22.7	22.3
Females	25.6	24.9



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**28. Pension commitments (continued)**

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.5%	(455)	(350)
Discount rate -0.5%	455	350
Mortality assumption - 1 year increase	121	93
Mortality assumption - 1 year decrease	(121)	(93)
CPI rate +0.5%	394	304
CPI rate -0.5%	(394)	(304)
	<u>          </u>	<u>          </u>

**Share of scheme assets**

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

	2020 £	2019 £
Equities	4,661,000	3,332,500
Bonds	2,054,000	1,799,550
Property	711,000	1,466,300
Cash and other liquid assets	474,000	66,650
<b>Total market value of assets</b>	<u>7,900,000</u>	<u>6,665,000</u>

The actual return on scheme assets was £(36,000) (2019 - £353,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(1,721,000)	(1,035,000)
Past service cost	-	(44,000)
Interest income	133,000	140,000
Interest cost	(233,000)	(210,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(1,821,000)</u>	<u>(1,149,000)</u>

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**28. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	11,681,000	5,545,000
Conversion of academy trusts	326,000	121,000
Transferred in on existing academies joining the trust	-	2,531,000
Interest cost	233,000	210,000
Employee contributions	211,000	156,000
Actuarial losses	1,046,000	2,071,000
Benefits paid	(67,000)	(32,000)
Past service costs	-	44,000
Current service cost	1,721,000	1,035,000
<b>At 31 August</b>	<u>15,151,000</u>	<u>11,681,000</u>

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

	2020 £	2019 £
<b>At 1 September</b>	6,665,000	3,630,000
Conversion of academy trusts	207,000	85,000
Transferred in on existing academies joining the trust	-	1,760,000
Interest income	133,000	140,000
Actuarial (losses)/gains	(169,000)	213,000
Employer contributions	920,000	713,000
Employee contributions	211,000	156,000
Benefits paid	(67,000)	(32,000)
<b>At 31 August</b>	<u>7,900,000</u>	<u>6,665,000</u>

**29. Operating lease commitments**

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	26,466	28,457
Later than 1 year and not later than 5 years	26,267	27,873
	<u>52,733</u>	<u>56,330</u>

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**30. 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.

**31. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the COVID 19 pandemic, Free School Meal (FSM) vouchers totalling £11,750 (2019: £Nil) were provided by the East of England Co-Op, a company of which Nick Denny (Trustee) is Joint CEO. There was no balance outstanding at the 31 August 2020 (2019: £Nil).

In the year ended 31 August 2019, performing arts services amounting to £666 were provided by DanceEast Enterprises Ltd, a company in which the member Brendan Keaney is a director. There were no transactions during the year ended 31 August 2020.

In the year ended 31 August 2019, services to aid the prevention of bullying amounting to £1,525 were provided by GR8 AS U R, a not for profit company in which the trustee John West-Burnham is a director. There were no transactions during the year ended 31 August 2020.

In addition to this, certain trustees received remuneration and expenses which are disclosed in note 13.

No other related party transactions took place during the year (2019: Nil).

**32. Agency arrangements**

The academy trust distributes Schools Direct (Salaried) funding as an agent for the Department for Education (DfE). During the year ended 31 August 2020, the trust received £18,247 (2019: £90,605) and paid out £18,247 (2019: £90,605). There was no outstanding balance (2019: £Nil) due to or from ASSET Education at the year end.