




THE ASHLEY SCHOOL
ACADEMY TRUST

SUPPORTING ACHIEVEMENT

THE ASHLEY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

THURSDAY



A96YFNMI

A15	11/06/2020	#244
COMPANIES HOUSE		
A08	22/05/2020	#183
COMPANIES HOUSE		

Company Registration Number: 07729412 (England and Wales)

THE ASHLEY SCHOOL ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details	3-4
Report of the Trustees (including Strategic Report)	5-18
Governance Statement	19-23
Statement on Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report on the Financial Statements	26-28
Independent Reporting Accountant's Report on Regularity	29-30
Consolidated Statement of Financial Activities (incorporating Income and Expenditure account)	31
Consolidated Balance Sheet	32
Academy Balance Sheet	33
Consolidated Cash Flow Statement	34
Academy Cash Flow Statement	35
Notes to the financial statements	
Statement of Accounting Policies	36-40
Other Notes to the Financial Statements	41-57

THE ASHLEY SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr C S Hyde Mr S Oxenham Mr M King Mrs K Hester	(Resigned 31.08.2019) (Chair) (Appointed 04.06.2019)
Trustees	Mr D G Gowen* Mr M H Lott* Ms S Garrett* Mrs L Burton Miss A Howlett Mr T McKie* Mr D Payne Mr C Rivett* Mrs D Sibbald Mr P Wilkinson	(Chairman) (Vice Chairman) (Headteacher and Accounting Officer) (Teacher Trustee) (Parent Trustee, Nominated Trustee) (Parent Trustee) (Staff Trustee, appointed 19.04.2019)
* members of the Leadership and Management Committee		
Company Secretary	Ms D L Petty	
Senior Leadership Team	Ms S Garrett Mr A Wright Mr T Ward Mr M Kemp	(Headteacher) (Deputy Headteacher – Teaching and Learning) (Deputy Headteacher – Behaviour 4 Learning) (Strategic Business Manager)
Company name	The Ashley School Academy Trust	
Principal and Registered Office	Ashley Downs Lowestoft Suffolk, NR32 4EU	
Company registration number	07729412 (England and Wales)	
Independent Auditor	Lovewell Blake LLP Chartered Accountants & Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich, NR7 0LB	
Bankers	Lloyds TSB Bank plc 16 Gentleman's Walk Norwich Norfolk, NR2 1LZ	
Solicitors	Browne, Jacobson LLP Mowbray House Castle Meadow Road Nottingham, NG2 1BJ	

THE ASHLEY SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Directors of Ashley School Trading Ltd

Mr L Chapman	(Director)
Mr R Dell	(Co-opted, Director)
Ms S Garrett	(Director)
Mr D G Gowen	(Director)
Mr M H Lott	(Director, Chair)

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

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

The Ashley School Academy Trust operates an academy, a day and residential special school that provides for pupils aged 7 to 16 years (National Curriculum years 3 to 11). Its core service is to provide high quality specialist education to pupils with complex, moderate learning difficulties many with associated disabilities such as speech and language, autism, social, emotional and mental health. All pupils have an Education, Health & Care Plan (EHCP). It has a pupil capacity of 140 and had a roll of 138 in the school census in October 2019.

Structure, Governance and Management

Constitution

The Ashley School Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of The Ashley School Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as The Ashley School Academy Trust.

Details of the Trustees who served throughout the year and to the date these accounts are approved, are included in the Reference and Administrative information on page 3.

Members' Liability

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

Trustees' Indemnities

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

Method of Recruitment and Appointment or Election of Trustees

The Board has a range of expertise, knowledge and skills and when recruiting Trustees, looks at different skills and knowledge across the board. Vacancies are advertised in the Academy's newsletter approaching any parents who might express an interest in becoming a Trustee, asking any outgoing Trustee for recommended nominations in order to retain the high quality of skills and expertise, and contactable websites where databases of skilled volunteers are held, including SGOSS (Governors for Schools) and Academy Ambassadors.

The term of office for any Trustee shall be four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected, again for a term of four years.

The Board and Headteacher believe that it is essential for all new Trustees to receive a comprehensive induction pack covering a broad range of issues, topics and policies. There is a commitment to ensure that the new Trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of members.

On-going skills audit and training offer, e.g. Learning Walks; Safeguarding and Standard 20 visits, Ofsted framework, MATs (Multi-Academy Trusts), Assessment Framework and Induction Programme through Governor Services and/or The Key Online.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees will be provided with an Induction Pack and invited to visit the academy trust to meet staff and pupils and to discuss the ethos and working practices of the Trust.

At the beginning of the Academic Year, all Trustees are given a training brochure and relevant training and courses are booked by the Clerk. Trustees are informed of training by the Clerk on a termly basis. A record of all training is kept by the Clerk.

Throughout the year, Trustees are invited to attend Committee Meetings, other than their own Committee to gain more knowledge and expertise across the whole Academy Trust. This year, Trustees have further investigated growth with the possibility of both MATs and partnership working.

Organisational Structure

At The Ashley School Academy Trust the organisational structure consists of the Trustees including the Headteacher, the two Deputy Headteachers and then the wider Senior Leadership Team (SLT).

The Members' role is to approve the strategic direction of the Academy. The Board's role is to ensure financial management and objectives of the Academy Trust are met and regularly monitor the progress towards these objectives and monitor the budget. In order for this to be carried out effectively, the Trust have appointed its Trustees to certain Committees.

The Board consists of four Committees: *The Executive Committee (Chairs of all Committees); The Leadership and Management Committee (which oversees the Academy Trust's Trading Subsidiary (OBWSC) Directors and carries out Audit Function); The Pupil Achievement/Outcomes Committee and The Personal Development, Behaviour and Welfare Committee.*

Related Parties and other Connected Charities and Organisations

The Academy Trust has no direct links or related party relationships to other, external organisations.

However, the nature of our work does result in our close working with many other schools through our East Coast Hub (Challenge Partners); SSAT and also through our designation as a National Support School (NSS). Wider collaboration is undertaken through wider school partnerships at all levels with local schools, and as part of Teaching School Alliance.

We will also:

- Continue to explore further opportunities for more effective multi-agency partnership working resulting in informed, focussed outcomes;
- Explore opportunities for greater involvement in local Teaching School Alliance(s);
- Continue to develop our collaborative and enhanced partnership with East Coast College improving transition and outcomes for SEND pupils at TASAT and beyond;

In December 2012 we incorporated Ashley School Trading Limited (t/as Oulton Broad Water Sports Centre (OBWSC)) as a Trading Subsidiary of the Academy Trust and ceased trading on 29 September 2017. On 24 June 2019 The Academy received 'Approval to write-off debt relating to Ashley School Trading Limited' from Emma Poole, Education and Skills Funding Agency. This will now allow for the full closure of the Trading Subsidiary.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Structure, Governance and Management (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The rules for determining the pay of Senior Leadership Team (for the purposes of this definition this includes the Headteacher, Deputy Headteacher and Strategic Business Manager who sit on SLT) are set out in the Schools Pay Policy, which is reviewed annually in line with the School Teacher's Pay and Conditions Document (STPCD).

The Leadership and Management Committee for The Ashley School Academy Trust has established a pay range for the Headteacher and Deputy Headteachers in accordance with STPCD.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Structure, Governance and Management (continued)

Trade Union Facility Time

The Trust provided no time in respect of trade union facilities time during the period.
However, a contribution of £600 was made to Suffolk County Council Trade Union Facilities Time "central pot".

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

First Column	Figures
Provide the total cost of facility time	£600 (Contribution to Suffolk County Council "Central pot")
Provide the total pay bill	£2,166,192
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.027%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	NIL
--	------------

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Objectives and Activities

Objects and Aims

The object and aims of The Ashley School Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs.

The Ashley School Academy Trust main objectives are summarised as follows:

- to provide value for money for the funds expended,
- to ensure that the Academy is suitably staffed,
- to comply with statutory and curriculum requirements.

Objectives, Strategies and Activities

During 2018/2019 the Academy Trust focussed on the following:

- Leadership and Management to promote and embed 'OUTSTANDING' Leadership and Management including:
 - Communicate success to build upon on-going challenges and areas for development to all staff;
 - Ensure the develop to practices set out in all of the SD & IP action plans are embedded effectively across the school and lead to the intended outcomes for learners;
 - Further develop the information provided to the Board, emphasising the outcomes for learners in the key areas of the SD & IP (Key Reporting Indicators);
 - Safeguarding Self-Review Audit and Action Plan;
 - Maintain Outstanding Teaching and Learning and Assessment;
 - In line with the national "changing landscape" re. curriculum and 'assessment beyond levels';
 - Behaviour 4 Learning;
 - Further develop robust electronic management systems to improve the access to and informed use of data at all levels;
 - Review the questionnaires used annually to gather the views of pupils, parents/carers, staff from staff and partner agencies;
 - Review the SLAs with the LA including future budget models re. Outreach provision and Residential provision;
 - Continue to be a World Class School;
 - Further develop at all levels of leadership, including Trustees, the effective use of good and accurate self-review which informs priorities for development and the rigorous implementation of focused improvement plans. In addition, taking account of the new Ofsted framework;
 - Education Improvement Officer to be commissioned for focused meetings with members of the distributed leadership team to review the specific lead areas;
 - Deliver, in line with the revised Code of Practice, 0-25 EHC assessments, plans and reviews (Pupil centred), Local Offer and Personal Budgets.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Objectives and Activities (continued)

Objectives, Strategies and Activities (continued)

- Behaviour and Safety:
 - Analyse behaviour data to continue to improve systems;
 - Development of a common language (scripts) with learners regarding behaviour and choices;
 - Embed behaviour 4 learning policy and practice;
 - Review and further develop the de-escalation responses with learners;
 - Further develop our anti-bullying practice in line with the outcomes of the supported self-review;
 - Further develop E-Safety understanding, knowledge and policy for staff, pupils and working with parents/carers;
 - Further safer recruitment training for leaders;
 - Review information for parents/carers to ensure understanding of safeguarding/e-safety etc;
 - Embed and review both the effective use of the Collaborative Problem Solving Approach (CPSA) and APP for SEAL;
 - Train and develop staff therapeutic skills to support complex pupil needs.
- Outreach:
 - The new Special Educational Needs and Disabilities Academy Trust (SENDAT) successfully won the tender on 1 January 2016 for 3 years to provide an Outreach Service to mainstream schools in Suffolk. This has been extended until August 2020.
 - The Ashley School Academy Trust is a partner delivering Outreach Services in North Suffolk.
- Residence:
 - Provision is externally evaluated against the National Minimum Standards and Ofsted (last inspection September 2018) graded Outstanding;
 - Priorities in Residence remain focussed on attendance, engagement, SEAL, independence and reading (Residence Impact Data);
 - New initiatives further developing work through Elklan Language Builders, Trauma Informed Schools, Attention Autism, Duke of Edinburgh Award and through volunteering accreditation;
 - Continued work with SCC LA regarding both the funding and commissioning of Residence;
 - Continued focus on both maintaining and developing the buildings/facilities.
- Pupil Achievement and Outcomes:
 - In the changing landscape of Exams and Assessment levels, we have written/developed a "Staged Model" across all subjects to ensure continued robust data assessment information for our curriculum;
 - Continued CPD to ensure staff have the skills to meet our pupils' needs;
 - Further developed KS2 moderation processes within local and cross-county context;
 - Embed a phonics led reading skills programme;
 - Embedded the skills developed around creative writing opportunities in KS2;
 - Centre of Excellence Social Skills (Alex Kelly Ltd);
 - Continue to embed and develop Talkabout Groups, under the auspices of an External Assessor, as part of further developing speech, language and communication and social skills;
 - Parental engagement developed further with more parents attending reviews, meetings and social events;
 - Building on the achievement of our Families First accreditation;
 - Further develop teaching strategies/skills that provide inspiring opportunities that challenge pupils consistently across the school.
 - Quality of Teaching and Learning:
 - We continue to challenge ourselves to provide Outstanding outcomes for pupils;
 - We have had annual Quality Assurance Reviews through Challenge Partners;

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Objectives and Activities (continued)

Objectives, Strategies and Activities (continued)

- Pupil Achievement and Outcomes (continued)
 - Embedded use of data to inform planning and interventions;
 - Embedded informed marking policy;
 - Embedded Ofsted outcomes – creative writing and phonics;
 - The SEAL APP is now fully embedded;
 - Continue to raise expectations for achieving at least 5 ELQs accreditations (TASAT GOLD) and TASAT Bacc;
 - Continue to recognise and celebrate pupils' achievement.

Public Benefit

The key public benefit delivered by The Ashley School Academy Trust is to advance, for the public benefit, education in particular by establishing, maintaining, managing and developing an Academy Trust specially organised to make special educational provision for pupils with Special Educational Needs (SEN).

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Strategic Report

Achievements and Performance

Ofsted Outstanding September 2018 (Residential provision)

In the period up to, and including 31 August 2019:

Entry Level	U/X	EL1	EL2	EL3	Total	% Enty E1+	
OCR English	0	4	10	9	23	100.00%	
AQA Maths	0	1	12	10	23	100.00%	
AQA Science	0	2	10	11	23	100.00%	
OCR Design Technology	0	0	0	0	0	n/a	Unit Awards
OCR ICT	0	6	9	3	18	100.00%	
OCR Art (OPTION)	0	0	3	0	3	100.00%	
AQA PSD	0	0	12	0	12	100.00%	
OCR ICT FS	0	10	6	7	23	100.00%	

Vocational Learning	U/X	Units	E2	E3	Total	% E2+
C&G Skills for working life	0		0	23	23	100.00%
C&G Planning for Life and Work	1		0	22	23	100.00%

GCSE (Legacy Specification)	X/U	1	2	3	4	5	6	7	8	9	Total	% 9-1
OCR Art	0	0	0	0	0	0	0	0	0	0	0	
AQA Biology	0	0	3	2	0	0	0	0	0	0	5	100.00%
AQA Maths	0	1	2	0	0	0	0	0	0	0	3	100.00%

GCSE Equivalencies (Level 1 & Level 2)	U/X	L1	L2	Total	% L1 +
Sports Leaders UK Sports leadership	0	1	6	7	100.00%
Trinity Arts Award	0	4	0	4	100.00%
BTEC Home Cooking	0	9	0	9	100.00%

Qualification Overview	No.	%
At least 1+ ELQ	23	100.00%
At Least 5+ ELQ with En & Ma	23	100.00%
At least 1+ Level 1 qualification	16	69.57%
At least 2+ level 1 qualifications	8	34.78%
At least 3+ level 1 qualifications	3	13.04%
At least 4 level 1 qualifications or above	1	4.35%
At least 2 level 2 qualifications	0	0.00%

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Achievements and performance (continued)

Results Analysis - Headlines

- 100% of pupils achieved at least one Entry Level Qualification.
- 100% of pupils achieved both Entry level English and Maths.
- 100% of pupils achieved 5 Entry Level passes.
- 100% of pupils achieved 5 Entry Level passes including English and Maths.
- 70% of pupil achieved at least one level 1 or equivalent qualification (D-G).

The "Ashley Gold Standard" based upon the established mainstream model of 5 Good Passes in GCSE including English and maths and have been modified to include entry level and vocational qualifications. We are aware of the longer-term implications of Entry level qualifications but we still feel that they add value to pupil achievement and progress. As a result, we expect all pupils to have the opportunity to achieve 5 ELQs. Our TASAT Bacc looks at pupils achieving English, Mathematics, Science, ICT, Vocational and their 'Option'.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Achievements and performance (continued)

Going Concern

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

Financial review

Most of the Academy's income is obtained from the Department of Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education and Skills Funding Agency (ESFA) during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2019, total expenditure of £3,081,481 (2018: £3,083,764) was covered by recurrent grant funding together with other incoming resources. The excess of expenditure over income was a planned overspend by the trust following minor staffing adjustments during the year, to accommodate a new pupil. Trustees were fully aware of the expected overspend from the regular reports presented to meetings of the Leadership & Management Committee, from earlier in the financial year.

During the period ended 31 August 2019 the Trust achieved a surplus of £55,431 being the change in the balance in restricted general funds (excluding pension reserve) plus unrestricted funds.

Reserves Policy

This policy has been drawn-up considering guidance from the Charity Commission's *Charities and Reserves*: and was approved by Trustees in March 2016 and reviewed and updated on 18 March 2019. It details:

Definitions and goals

- Restricted Reserves
- Unrestricted Funds
- Designated Funds

Use of reserves

- Identification of appropriate use of reserve funds
- Authorisation of use of reserves
- Reporting and monitoring

Purpose

The purpose of the reserve policy for The Ashley School Academy Trust is to ensure the stability of the Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Reserves Policy (continued)

Future Planned Expenditure for built up reserves

To continue to develop capital programmes for both building and IT infrastructure services, as annually agreed by The Board of Trustees during the budget setting process. At the same time to seek to supplement the reserves of the Trust with external funding, wherever possible, including the annual Condition Improvement Fund (CIF) bidding process undertaken by the DfE.

- Outdoor Gym
- Further replacement of old oil-fired boilers (Houses 2 & 4) with energy efficient modern gas boilers
- Replacement of old/defective 'crittall' windows
- Music Technology Studio
- Outdoor seating area
- Outdoor Classroom

Longer term aspirations include:

- a review of the mechanical and engineering aspects of the swimming pool: heating, ventilation and roof covering.

Actual

As at 31 August 2019, free reserves (represented by unrestricted net current assets) amounted to £773,467. The Trust had no restricted general fund balances (excluding the pension reserve), together with restricted fixed asset funds of £2,375,954. Total net assets of the Trust amounted to £2,049,421 including a pension liability of £1,100,000.

Investment Policy

In addition to cash held for the day to day operation of the Academy Trust, the Academy Trust held a short term investment (12 months) which will mature on 31 October 2019.

The Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The level of investment will depend on resources available at the time the investment is considered and will take into account the current financial situation as well as consideration of the finances during the period the investment is being considered for. Equally the Trustees will take a view of prevailing national economic circumstances and the credit ratings of those who are offering investment opportunities. Finally, the period of the investment will be judged on the rates available and other Academy Trust priorities at the time.

Principal Risks and Uncertainties

In September 2015 the Trustees approved a revised Risk Management Policy and a significantly more comprehensive Risk Register which had been prepared during the summer of 2015. This is discussed by Trustees half-termly and identified risks are RAG rated.

The Trustees have assessed the major risks to which the Academy Trust is exposed and ensure that steps are taken to mitigate risks. Risks are identified, documented and reviewed on an annual basis and procedures are in place to manage such risks.

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Principal Risks and Uncertainties (continued)

This is done through the Committees and includes Educational risks such as the Academy not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. In this way steps are taken to mitigate risk. The Risk Register is managed through the Leadership and Management Committee.

The Trustees are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

The Leadership and Management Committee have identified the top five risks faced by the Academy as:

- Loss of key person/succession risk;
- Over-reliance on one form of income;
- Risk that legislative requirements are not known or complied with;
- Academy receives unfavourable Ofsted report;
- Data protection risk.

Some significant risks such as public and employee liability are covered by the Academy's insurance policy. In September 2015 the Academy switched from conventional insurance policy to the Risk Protection Arrangements (RPA) provided by the Department for Education through its delivery arm the Education and Skills Funding Agency (ESFA).

Fundraising

The trust fund raises only for specific projects but otherwise accepts general donations to school funds. During the period there were no specific fundraising activities undertaken for projects within school.

Note: Fundraising was undertaken for nationally recognised charitable causes, BBC Children in Need, Red Nose Day, Macmillan Coffee Morning etc and all funds collected were passed through the school accounts before being paid to the identified causes.

Plans for Future Periods

During 2019/2020 the Academy Trust will focus on:

Pupil Outcomes

- Continue to ensure that the changing landscape in examinations is implemented and new examinations sourced to ensure that all pupils continue to make Outstanding progress from their starting points;
- Continue to ensure that there is effective challenge at all levels, especially our "most able";
- Further develop and embed our effective progress monitoring through Annual Reviews (EHCPs), Next Steps and "settling in" reviews;
- Provide pupils with suitable homework to consolidate and extend their learning.

Teaching, Learning & Assessment

- Maintain TASDA across English and Maths and, as a result, demonstrate Outstanding progress;
- Maintain TASDA across the wider curriculum (Science, Humanities, Creative & Expressive Arts, PSHE/SEAL, ICT, PE and IPC);
- Maintain consistent use of effective feedback;

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Plans for future periods (continued)

Teaching, Learning & Assessment (continued)

- Continue to ensure staff confidently and competently use assessment information to inform teaching & learning;
- Further develop staff KS & U of SLCN and, as a result, communication is no longer a barrier to learning TALC assessments are used effectively; staff apply Attention Autism practices;
- Develop Teaching & Learning Quartets.

Personal Development, Behaviour and Welfare

- Maintain our highly effective systems and processes to ensure excellent attendance is maintained;
- Maintain our effective transition process, embed this further to effectively ensure smooth transition and induction of new pupils;
- Maintain the effective partnership role between Pupil & Family Support (PFS) Team and teaching staff (reactive and proactive);
- Maintain our effective B4L policy and practice including our collaborative problem-solving approaches (PSA);
- To explore further opportunities for more effective multi-agency partnership working, resulting in informed, focussed outcomes;
- Develop champions regarding Trauma Informed Schools;
- Further develop our global characteristic & dimensions including exploring Lyfta.

Curriculum Development

- Ensure our broad, relevant, accredited curriculum continues to meet need and prepares pupils for their next stages;
- Ensure pupils have opportunities to extend their learning at home;
- Maintain our effective use of 21st Century Technologies;
- Maintain our effective subject focus groups and use of both staff "champions" and "Link Trustees";
- Maintain our 'Total Communication' ethos;
- Further develop our 'Love of Reading' and our 'Reading Experts'.

Effective Leadership & Management including Governance

- Further develop our work sharing impact and effective practices across areas/teams and leaders, thus ensuring sustainability/succession alongside excellent pupil outcomes;
- Through robust, layered effective PM and CPD, all staff have the relevant knowledge skills and understanding (KS and U) to meet our pupils' needs and undertake appropriate research;
- Continue to ensure that all staff are fully up to date with safeguarding legislation and responsibilities;
- Maintain our "Total Communication" ethos and build on our "Centre of Excellence" re. teaching social skills including looking to accredit 'Teaching Social Communication Skills' as an Area of Excellence through Challenge Partners;
- Keep at the forefront further exploration of potential opportunities for developing as a MAT, growing as a school or influencing local and government policy;
- Explore opportunities for developing a Free School as part of TASAT, for ASD pupils.

Residence

- Ofsted September 2018 Residential Inspection graded the provision Outstanding. We will continue to:
- Develop the residential facilities measured by improvements, renovations, upgrades and modernisation of facility;
- Continue the high quality and comprehensive training programme for all staff, including learning from other "Outstanding" provisions;
- Maintain highly effective induction and CPD for new staff and ensure appropriate career opportunities and CPD for experienced staff;

THE ASHLEY SCHOOL ACADEMY TRUST

REPORT OF THE TRUSTEES (including Strategic Report) for the year ended 31 August 2019

Plans for future periods (continued)

Residence (continued)

- Continue to develop volunteering opportunities for pupils in which they can achieve recognised accreditation;
- Further embed and use of impact data to improve residence outcomes;
- Review commissioning with LA including securing future budget models.

Professional Services

- Maintain effective use of the 21st Century ICT systems and processes that are sustained by both CPD and technical support;
- Ensure annual budget preparation and approval includes accurate forecasting and regular monitoring to ensure ongoing financial health;
- Ensure financial systems are used to secure high quality education in short, medium and long term working with our School Resource Management Adviser (SRMA);
- Maintain effective staff induction and well-being opportunities;
- Explore further opportunities to ensure TASAT operates as an "environmentally friendly" Academy Trust;
- Building Projects/Climate for Learning including Music Studio, Windows, Outdoor Gym and Residence;
- Explore further opportunities to develop the succession of 'exam officer role';
- Continue to explore further opportunities for "income generation".

Community and Partnership

- Maintain effective "Families First" accreditation, parental engagement;
- Maintain school to school impact through Challenge Partners, East Coast Hub and as a NSS;
- Maintain Food Standards through 'Food for Life' accreditation;
- Maintain professional networks and 'influencing' opportunities.

Auditor

In so far as the Trustees are aware:

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

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the board of Trustees, as the company directors on 12/12/19 and signed on the board's behalf by:


Mr D G Gowen
Chair of Trustees

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Ashley School Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day to day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ashley School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met three times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms S J Garrett	3	3
Mr D G Gowen (Chair)	3	3
Mr M H Lott	2	3
Mr T McKie	3	3
Mr C Rivett	0	3
Mr D Payne	3	3
Mr P Wilkinson	3	3
Miss A Howlett	3	3
Mrs L Burton	3	3
Mrs D Sibbald	2	2

The main challenges that have arisen for the Board this year are:

- Embedding new Performance Management policy/practice;
- Adopting the new Pay policy;
- Securing 'equivalence funding' through new National Fair Funding especially with regards to High Needs 'Top Up' and Residence following a delay;
- Reviewing Personnel/HR procedures and policies;
- Monitoring staffing levels;
- Monitoring SD&IP (School Development & Improvement Plan) and its impact;
- Monitoring staff well-being indicators;
- Ensuring provision of high-quality Professional Development;
- Oversight of major premises contracts/improvements;
- Determining priority of improvements within budget constraints;
- Implementing and embedding the new ICT strategy;
- Securing external capital/grant funding;
- Securing Outreach tender for next 3-5 years – this has been secured through SENDAT January 2016 and has now been extended until August 2020;
- Securing SEND Strategy, further exploring Free School, MATs, ASCs under Suffolk SEND Growth.

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Governance (continued)

Governance Reviews

The Trustees have undertaken the following reviews during the year:

- Learning Walks;
- Challenge Partners Quality Assurance Review;
- Residential Ofsted Inspection with Outstanding outcomes;
- Training with and meeting other Trustee and Governing Bodies to share good practice;
- Safeguarding self-evaluation identifying further training/updates;
- Chair of Trustees meets monthly with the Headteacher;
- Continue to explore opportunities around MATs/Free Schools;
- Trustees Audit Skills Matrix undertaken identifying gaps in the Board;
- Trustees Self-Challenge (The Key);
- Link Trustees have met with Senior and Middle leaders through subject focus.

The Leadership & Management Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Act in accordance with the School Governance Regulations and other legislation affecting the conduct and responsibilities of School Governing Bodies. To have regard, in carrying out delegated functions, to the School Improvement Plan approved by the Board of Directors. To act in accordance with the DfE and ESFA for the delegation of funds to schools.
- Assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Academy's personnel, finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis. Major issues will be referred to the full Board for ratification.

The Leadership and Management Committee has formally met seven times during the year. Attendance during the year at meetings of the committee was as follows:

Trustee	Meetings attended	Out of a possible
Ms S J Garrett	6	7
Mr D G Gowen	7	7
Mr M H Lott (Chair)	6	7
Mr T McKie	7	7
Mr C Rivett	5	7

As Oulton Broad Water Sports Centre has ceased trading, there were no meetings called throughout the year.

Director	Meetings Attended	Out of a Possible
Mr L C Chapman	0	0
Mr R Dell (Co-opted)	0	0
Ms S J Garrett	0	0
Mr D G Gowen	0	0
Mr M H Lott (Chair)	0	0

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Accounting Officer, the Headteacher 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 had delivered improved value for money during the year by:

- Operating an effective tendering process enabling the best value for money to be obtained for all purchasing, either from recognised local, national and government consortia or through a competitive tendering process, where required by our Financial policies.
- Regularly reviewing the deployment of our staff resources to ensure that they are allocated to support Teaching and Learning in the most effective way.
- Monitoring the use of budgets and resources regularly with regular reports to the Governing Body (termly), individual departmental budget holders (bi-monthly) and the Headteacher (monthly) on top of the day to day monitoring by the Professional Services Team.
- Continuing to maximise income from the income streams available to the Academy Trust.
- The school opted into the DfE / ESFA Risk Protection Arrangement (RPA) with effect from 1st September 2015 resulting in annual savings in excess of £25,000 per annum against previous commercial insurance arrangements.

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 The Ashley School Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

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. 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 Leadership and Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Schools' Choice as internal auditor. As an independent organisation, with significant financial and controls experience, they are able to provide the Trustees with independent review of the day to day performance of the Trusts financial systems, risk management and internal controls.

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 and controls of payroll systems;
- testing and controls of purchase systems;
- testing and controls over income and bank reconciliations;
- testing and controls over petty cash;
- testing and controls on the planning cycle and budget;
- further testing covering key areas including: tax, insurance, governance, monitoring and review, inventory and security of assets, data security and risk management;
- on a termly basis, the internal auditor reports and actions are presented to the Board of Trustees, through the Leadership & Management Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

On a termly basis the internal auditor reports to the Board of Trustees, through the Leadership and Management Committee on the operation of the systems of control and on the discharge of the board of Trustees financial responsibilities.

During the year the internal auditor has visited the Academy Trust three times, during which no material control issues have arisen. To maintain independence, the reports arising from the Internal Audit visits are forwarded directly and separately to both the Nominated Trustee and the Headteacher.

THE ASHLEY SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Leadership and Management 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 12/12/19 and signed on its behalf by:



[Mr D G Gowen]

[Chair]



[Ms S Garrett]

[Accounting Officer]

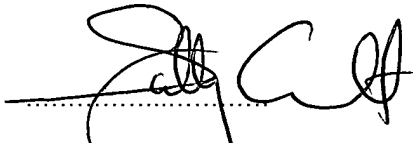
THE ASHLEY SCHOOL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Ms S Garrett
Accounting Officer
12/12/19

THE ASHLEY SCHOOL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 Annual 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 the group 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS102] 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 and the group will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 12/12/19 and signed on its behalf by:



Mr D G Gowen
Chair of Trustees

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHLEY SCHOOL ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Academy's Trust affairs as at 31 August 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE ASHLEY SCHOOL ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASHLEY SCHOOL ACADEMY TRUST

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the 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 matter 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 (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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.

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASHLEY SCHOOL ACADEMY TRUST

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.


MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

17 December 2019

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ASHLEY SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

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

Respective responsibilities of The Ashley School Academy Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Ashley School Academy Trust's funding agreement with the Secretary of State for Education dated 10 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

Delegated authorities: Carrying out the suggested procedures detailed in the Academies Accounts Direction 2018/19 Annex B section 4.4 – 4.10 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNTI have been complied with;

THE ASHLEY SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASHLEY SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Approach (continued)

Transactions with connected parties: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B section 4.12 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

Governance: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its governance arrangements;

Internal controls: Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its internal controls;

Procurement: Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.18 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its procurement procedures; and

Income: Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

Conclusion

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

Loveall Blake LLP
MARK PROCTOR FCA DChA (Reporting Accountant)
For and on behalf of LOVEWELL BLAKE LLP

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

17/2/2019

THE ASHLEY SCHOOL ACADEMY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2019 (Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total (restated) 2018
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	18,283	-	24,562	42,845	18,666
Charitable activities:						
Funding for the Academy	3	-	2,800,657	-	2,800,657	2,742,934
Trust's educational operations						
Other trading activities	4	85,661	11,175	-	96,836	96,152
Investments	5	4,712	-	-	4,712	5,252
Total income		108,656	2,811,832	24,562	2,945,050	2,863,004
Expenditure on:						
Raising funds	6	-	-	-	-	(37,918)
Charitable activities:						
Academy's educational operations	6	-	(2,971,957)	(109,524)	(3,081,481)	(3,045,846)
Total expenditure	6	-	(2,971,957)	(109,524)	(3,081,481)	(3,083,764)
Net (expenditure) / income before transfers		108,656	(160,125)	(84,962)	(136,431)	(220,760)
Transfers between funds	17	(2,248)	(67,680)	69,928	-	-
Net (expenditure) / income after transfers and before (losses)/gains		106,408	(227,805)	(15,034)	(136,431)	(220,760)
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension schemes	17/26	-	(526,000)	-	(526,000)	317,000
Net movement in funds		106,408	(753,805)	(15,034)	(662,431)	96,240
Reconciliation of funds						
Total funds brought forward as previously stated	17	667,059	(216,195)	2,390,988	2,841,852	2,615,612
Prior year adjustment	30	-	(130,000)	-	(130,000)	-
Total funds brought forward restated	17	667,059	(346,195)	2,390,988	2,711,852	2,615,612
Funds carried forward	17	773,467	(1,100,000)	2,375,954	2,049,421	2,711,852

All of the Academy's activities derive from continuing operations during the financial period.

The notes on pages 36 to 57 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

Company No: 07729412

CONSOLIDATED BALANCE SHEET at 31 August 2019

	Note	2019	2018 (restated)
		£	£
Fixed assets			
Tangible assets	12	2,375,954	2,390,988
Current assets			
Stock	13	5,339	3,931
Debtors	14	105,832	130,451
Cash at bank and in hand		945,738	966,334
		1,056,909	1,100,716
Current liabilities			
Creditors: Amounts falling due within one year	15	(142,753)	(126,022)
Net current assets		914,156	974,694
Total assets less current liabilities		3,290,110	3,365,682
Long term liabilities			
Creditors: Amounts falling due after one year	16	(140,689)	(186,830)
Net assets excluding pension liability		3,149,421	3,178,852
Defined benefit pension scheme liability	26	(1,100,000)	(467,000)
Total net assets		2,049,421	2,711,852
Funds of the academy trust:			
Restricted funds			
Restricted income fund	17	-	120,805
Fixed asset fund	17	2,375,954	2,390,988
Pension reserve	17	(1,100,000)	(467,000)
Total restricted funds		1,275,954	2,044,793
Unrestricted income funds	17	773,467	667,059
Total funds		2,049,421	2,711,852

The financial statements on pages 36 to 57 were approved by the Trustees, and authorised for issue on 12/12/19 and are signed on their behalf by:

D G Gowen
Chairman of Trustees

The notes on pages 36 to 57 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

Company No: 07729412

ACADEMY BALANCE SHEET at 31 August 2019

	Note	2019 £	2018 (restated) £
Fixed assets			
Tangible assets	12	2,375,954	2,390,988
Current assets			
Stock	13	5,339	3,931
Debtors	14	105,832	130,451
Cash at bank and in hand		945,738	960,640
		1,056,909	1,095,022
Current liabilities			
Creditors: Amounts falling due within one year	15	(142,753)	(125,142)
Net current assets		914,156	969,880
Total assets less current liabilities		3,290,110	3,360,868
Long term liabilities			
Creditors: Amounts falling due after one year	16	(140,689)	(186,830)
Net assets excluding pension liability		3,149,421	3,174,038
Defined benefit pension scheme liability	26	(1,100,000)	(467,000)
Total net assets		2,049,421	2,707,038
Funds of the academy trust			
Restricted funds			
Restricted income fund		-	120,805
Fixed asset fund		2,375,954	2,390,988
Pension reserve		(1,100,000)	(467,000)
Total restricted funds		1,275,954	2,044,793
Unrestricted income funds		773,467	662,245
Total funds		2,049,421	2,707,038

The financial statements on pages 36 to 57 were approved by the Trustees, and authorised for issue on 12/12/19 and are signed on their behalf by:

D G Gowen
Chairman of Trustees

The notes on pages 36 to 57 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 August 2019

	Notes	2019 £	2018 (restated) £
Cash flows from operating activities			
Net cash provided by operating activities	21	9,260	1,841
Cash flows from investing activities	22	(65,392)	(267,510)
Cash flows from financing activities	23	35,536	130,000
Change in cash and cash equivalents in the reporting period		<u>(20,596)</u>	<u>(135,669)</u>
 Cash and cash equivalents at 1 September 2018	24	<u>966,334</u>	<u>1,102,003</u>
Cash and cash equivalents at 31 August 2019	24	<u>945,738</u>	<u>966,334</u>

The notes on pages 36 to 57 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

ACADEMY CASH FLOW STATEMENT for the year ended 31 August 2019

	Notes	2019 £	2018 (restated) £
Cash flows from operating activities			
Net cash provided by operating activities	21	14,954	17,525
Cash flows from investing activities	22	(65,392)	(267,510)
Cash flows from financing activities	23	35,536	130,000
Change in cash and cash equivalent in the reporting period		<u>(14,902)</u>	<u>(119,985)</u>
 Cash and cash equivalent at 1 September 2018	24	<u>960,640</u>	<u>1,080,625</u>
Cash and cash equivalent at 31 August 2019	24	<u>945,738</u>	<u>960,640</u>

The notes on pages 36 to 57 form part of these financial statements.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies and general information

The academy trust is a company limited by guarantee and an exempt charity. The academy trust is registered in England and Wales. The address of the registered office is The Ashley School Academy Trust, Ashley Downs, Lowestoft, Suffolk, NR32 4EU.

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

a) Basis of preparation

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

The Ashley School Academy Trust meets the definition of a public benefit entity under FRS 102.

b) Going concern

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

c) Income

All income is 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 and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

Other income

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

Other trading activities

Other trading activities is included within the Statement of Financial Activities on an accruals basis.

d) 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.

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

e) Tangible fixed assets

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

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

f) Depreciation

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

Long leasehold land and buildings	2%
Improvements to long leasehold buildings	2%
Furniture and equipment	20%
Computer equipment and software	33%

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

f) Depreciation (continued)

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.

g) 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 of the amount it has received as advanced payments for the goods or services it must provide.

h) Leased assets

The Academy has recognised the value of the property occupied by it, under a lease of 125 years, as prepared by DTZ on behalf of Education and Skills Funding Agency as at 31 August 2012.

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

i) Investments

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

j) Financial instruments

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

Investments – the academy's shareholding in the wholly owned subsidiary Ashley School Trading Limited is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed note 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

k) Stock

Unsold uniform and oil stock are valued at the lower of cost or net realisable value.

l) Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy 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.

m) Pensions benefits

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

Teachers' Pension Scheme

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.

Local Government Pension Scheme

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 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.

n) Fund accounting

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

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

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

n) Fund accounting (continued)

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

o) Critical accounting estimates and areas of judgement

Estimates and judgement 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

p) Consolidation policy

The financial statements consolidate the results of the Academy and its subsidiary, Ashley School Trading Limited, on a line by line basis. A separate Statement of Financial Activities for the Academy itself is not presented as the charity has taken advantage of the exemption of Section 408 of the Companies Act 2006.

Ashely School Trading Limited has not been audited as it is a dormant company.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total (restated) 2018 £
Capital grants	-	24,562	24,562	8,523
Other donations	18,283	-	18,283	10,143
	18,283	24,562	42,845	18,666

Income from donations and capital grants was £42,845 (2018: £18,666) of which £18,283 was unrestricted (2018: £10,143), £nil restricted (2018: £ Nil) and £24,562 restricted fixed assets (2018: £8,523)

Government grants of £24,562 (2018: £8,523) were received from the ESFA.

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	1,416,206	1,416,206	1,450,652
Other DfE/ESFA grants	-	1,233,924	1,233,924	1,151,902
	-	2,650,130	2,650,130	2,602,554
Other government grants				
Outreach Commissioned Service	-	110,175	110,175	118,741
PE Initiative Grant	-	16,360	16,360	16,730
Year 7 Catch Up Grant	-	8,182	8,182	4,909
Teachers' Pay Grant	-	15,810	15,810	-
	-	150,527	150,527	140,380
	-	2,800,657	2,800,657	2,742,934

Income from the academy's educational operations was £2,800,657 (2018: £2,742,934) of which £Nil was unrestricted (2018: £Nil), £Nil was restricted fixed assets (2018: £Nil) and £2,800,657 was restricted (2018: £2,742,934).

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	16,519	-	16,519	19,285
Items sold	4,252	-	4,252	3,164
Income from services provided	31,586	-	31,586	42,496
Academy trips	15,055	-	15,055	13,029
Catering income	18,249	-	18,249	17,743
Staff training contribution	-	11,175	11,175	435
	85,661	11,175	96,836	96,152

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

4. OTHER TRADING ACTIVITIES (continued)

Income from other trading activities was £96,836 (2018: £96,152) of which £85,661 was unrestricted (2018: £96,152), £11,175 was restricted (2018: £Nil) and £Nil was restricted fixed assets (2018: £Nil).

5. INVESTMENT INCOME	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Bank Interest	4,712	-	4,712	5,252

Investment income was £4,712 (2018: £5,252) of which £4,712 was unrestricted (2018: £5,252), £Nil was restricted (2018: £Nil) and £Nil was restricted fixed assets (2018: £Nil).

6. EXPENDITURE

	Staff costs £	Non Pay Premises £	Expenditure Other costs £	Total 2019 £	Total 2018 £
Expenditure on raising funds	-	-	-	-	37,918
Academy's educational operations:					
• Direct costs	1,736,765	-	298,858	2,035,623	2,091,448
• Allocated support costs	529,959	246,125	269,774	1,045,858	954,398
	<u>2,266,724</u>	<u>246,125</u>	<u>568,632</u>	<u>3,081,481</u>	<u>3,083,764</u>

Expenditure was £3,081,481 (2018: £3,083,764) of which £Nil was unrestricted (2018: £37,918), £2,971,957 was restricted (2018: £2,901,425) and £109,524 (2018: £144,421) was restricted fixed assets.

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation	109,524	144,421
Operating lease rentals	2,863	3,615
Fees payable to auditor for:		
Audit services – Academy	6,803	6,525
Other services – Academy	4,017	2,645
Audit services – Trading company	-	-
Other services – Trading company	<u>910</u>	<u>880</u>

Included within expenditure of the Academy Trust is the following transaction:

	2019 £	2018 £	Reason
Unrecoverable debts	<u>(4,777)</u>	<u>40,142</u>	Debtor due from the Trust's subsidiary was provided for in full in the year ended 31 August 2018 and approved by the ESFA to be written off to the amount of £40,142 (note 27). During the year ended 31 August 2019 £4,777 was recovered from the subsidiary.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

7. CHARITABLE ACTIVITIES

	Total 2019 £	Total 2018 £
Direct Costs – educational operations	2,035,623	2,091,448
Support costs – educational operations	1,045,858	954,398
	<u>3,081,481</u>	<u>3,045,846</u>

Expenditure on charitable activities was £3,081,481 (2018: £3,045,846) of which £Nil was unrestricted (2018: £Nil), £2,971,957 was restricted (2018: £2,901,425) and £109,524 (2018: £144,421) was restricted fixed assets.

	2019 £	2018 £
Allocated support costs		
Support staff costs	529,959	481,758
Technology costs	58,843	49,723
Premises costs	246,125	241,863
Other support costs	199,201	170,400
Governance costs	11,730	10,654
	<u>1,045,858</u>	<u>954,398</u>

Support costs totalled £1,045,858 (2018: £954,398) of which £Nil (2018: £Nil) was unrestricted and £1,045,858 (2018: £954,398) was restricted, and £Nil (2018: £Nil) was restricted fixed assets.

Analysis of Governance costs

	Unrestricted Fund £	Restricted Funds £	Total 2019 £	Total 2018 £
Audit fees	-	11,730	11,730	10,654
Total	<u>-</u>	<u>11,730</u>	<u>11,730</u>	<u>10,654</u>

8. STAFF

a. Staff costs	2019 £	2018 £
Staff costs during the period were:		
Wages and salaries	1,685,865	1,710,161
Social security costs	151,224	150,390
Operating costs of defined benefit pension schemes	423,105	440,469
	<u>2,260,194</u>	<u>2,301,020</u>
Indirect employee expenses	6,530	8,931
	<u>2,266,724</u>	<u>2,309,951</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

8. STAFF (Continued)

b. Staff numbers

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

	2019 No	2018 No
Teachers	20	21
Administration and support	49	51
Management	4	4
	<u>73</u>	<u>76</u>

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior leadership team as listed on page 3. 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 £357,458 (2018: £366,270).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

Ms S J Garrett (Principal and Trustees)

Remuneration £100,000 – £105,000 (2018: £95,000 – £100,000)

Employers pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

Mrs M Trowbridge (Staff Trustee – resigned 31 August 2018)

Remuneration £Nil (2018: £20,000 - £25,000)

Employers pension contributions £Nil (2018: £Nil)

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

9. RELATED PARTY TRANSACTIONS (Continued)

Mrs L Burton (Staff Trustee)

Remuneration £45,000 - £50,000 (2018: £40,000 - £45,000)

Employer pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

q

Mrs D Sibbald (Staff Trustee – appointed 19 April 2019)

Remuneration £15,000 - £20,000 (2018: £Nil)

Employer pension contributions £0 - £5,000 (2018: £Nil)

Other related party transactions involving the Trustee are set out in note 27.

During the year ended 31 August 2019, travel and subsistence expenses totalling £nil (2018: £842) were reimbursed to nil (2018: three) Trustees.

10. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

11. INCOME FROM TRADING SUBSIDIARY

Ashley School Trading Limited t/as Oulton Broad Water Sports Centre is a company limited by guarantee with the registration number 08226539. The company is a subsidiary of the Academy consolidated on the basis of common control. The subsidiary was incorporated in September 2012 and commenced operation in December 2012. The company ceased trading on 29 September 2017.

A summary of the trading results for the period ended 31 August 2019 is shown below:

	2019 £	2018 £
Turnover	-	13,415
Administrative expenses	35,328	(37,918)
Net profit/(loss) for the period	35,328	(24,503)
Net liabilities as at 31 August 2019	-	(35,328)

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

12. TANGIBLE FIXED ASSETS (GROUP AND ACADEMY)

	Leasehold land & buildings £	Furniture & equipment £	Computer equipment & software £	Total 2019 £
Cost				
At 1 September 2018	2,576,183	124,397	319,409	3,019,989
Additions	66,510	28,156	-	94,666
Disposals	-	(176)	-	(176)
At 31 August 2019	2,642,693	152,377	319,409	3,114,479
Depreciation				
At 1 September 2018	282,978	74,273	271,750	629,001
Charged in year	52,434	18,601	38,489	109,524
At 31 August 2019	335,412	92,874	310,239	738,525
Net book values				
At 31 August 2019	2,307,281	59,503	9,170	2,375,954
At 1 September 2018	2,293,205	50,124	47,659	2,390,988

All assets are used for educational purposes.

No assets are held by the subsidiary trading company.

Included within Leasehold Land and Buildings is the valuation prepared by DTZ on behalf of the Education and Skills Funding Agency on conversion to an academy of £2,142,025 (Land £244,011 and Buildings £1,898,014). All other additions post conversion are included at cost.

The Academy trust holds a long term lease of 125 years for the Land and Buildings owned by Suffolk County Council for nil consideration.

13. STOCK

	2019		2018	
	Group £	Academy £	Group £	Academy £
Clothing and oil	5,339	5,339	3,931	3,931
	<u>5,339</u>	<u>5,339</u>	<u>3,931</u>	<u>3,931</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

14. DEBTORS

	2019		2018 <i>(restated)</i>	
	Group	Academy	Group	Academy
	£	£	£	£
Trade debtors	43,755	43,755	26,652	26,652
Other debtors	4,735	4,735	64,256	64,256
Amounts owed by subsidiary undertakings	-	-	-	40,142
Provision for bad debt	-	-	-	(40,142)
Prepayments	42,839	42,839	12,345	12,345
VAT recoverable	14,503	14,503	27,198	27,198
	<u>105,832</u>	<u>105,832</u>	<u>130,451</u>	<u>130,451</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019		2018	
	Group	Academy	Group	Academy
	£	£	£	£
Trade creditors	3,739	3,739	-	-
Other creditors	62,866	62,866	17,852	17,852
Accruals and deferred income	76,148	76,148	108,170	107,290
	<u>142,753</u>	<u>142,753</u>	<u>126,022</u>	<u>125,142</u>

Included in other creditors is £24,847 (2018: £Nil) from ESFA regarding CIF advance and Salix loan, which is provided interest free and repayable over a period of seven and eight years.

Deferred income

	2019		2018	
	Group	Academy	Group	Academy
	£	£	£	£
Deferred income at 1 September 2018	250	250	5,112	105
Resources deferred in the year	-	-	250	250
Amounts released from previous year	(250)	(250)	(5,112)	(105)
	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>

Deferred income represents funds received in connection with the Ashley Wales trip.

16. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019		2018 <i>(restated)</i>	
	Group	Academy	Group	Academy
	£	£	£	£
Other creditors	140,689	140,689	186,830	186,830
	<u>140,689</u>	<u>140,689</u>	<u>186,830</u>	<u>186,830</u>

Included in other creditors is £140,689 (2018: £186,830) from ESFA regarding CIF advance and Salix loan, which is provided interest free and repayable over a period of seven and eight years. Of the £140,689 £41,303 was due after 5 years.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

17. FUNDS

	Balance at 1 September 2018 (restated)	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	120,805	1,448,178	(1,501,303)	(67,680)	-
Other DfE/ESFA Grants	-	1,201,952	(1,201,952)	-	-
Other Restricted funds	-	161,702	(161,702)	-	-
Pension reserve	(467,000)	-	(107,000)	(526,000)	(1,100,000)
	<u>(346,195)</u>	<u>2,811,832</u>	<u>(2,971,957)</u>	<u>(593,680)</u>	<u>(1,100,000)</u>
Restricted fixed asset Funds					
DfE/ESFA capital grants	155,322	24,562	(79,239)	62,728	163,373
Capital expenditure from GAG	913,344	-	-	-	913,344
Donated assets	1,302,274	-	(30,285)	-	1,271,989
Restricted funds	20,048	-	-	7,200	27,248
	<u>2,390,988</u>	<u>24,562</u>	<u>(109,524)</u>	<u>69,928</u>	<u>2,375,954</u>
Total restricted funds	<u>2,044,793</u>	<u>2,836,394</u>	<u>(3,081,481)</u>	<u>(523,752)</u>	<u>1,275,954</u>
Unrestricted funds					
General funds	694,644	108,656	(27,585)	(2,248)	773,467
Ashley School Trading Limited	(27,585)	-	27,585	-	-
Total unrestricted funds	<u>667,059</u>	<u>108,656</u>	<u>-</u>	<u>(2,248)</u>	<u>773,467</u>
Total funds	<u>2,711,852</u>	<u>2,945,050</u>	<u>(3,081,481)</u>	<u>(526,000)</u>	<u>2,049,421</u>

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

General Annual Grant: funds received from the ESFA for the running of The Ashley School Academy Trust.

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

Other DfE/ESFA Grants: Pupil Premium funds received from the ESFA for the provision of education.

Other Restricted Funds: funds received for specific revenue projects and activities undertaken by the Academy.

Pension Reserve: represents the School's liability relating to the Local Government Pension Scheme.

Sensory room: represents funds raised by the Trust towards the costs of developing a sensory room within the school.

DfE/ESFA Capital Grants: funds provided by the government towards specific capital projects.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

17. FUNDS (continued)

Capital expenditure from GAG and other funds: represents the transfer of capital expenditure from restricted funds.

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

	Balance at 1 September 2017	Income (restated)	Expenditure	Gains, losses and transfers	Balance at 31 August 2018 (restated)
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	425,679	1,450,652	(1,492,153)	(263,373)	120,805
Other DfE/ESFA Grants	-	1,151,902	(1,151,902)	-	-
Other Restricted funds	-	140,380	(134,370)	(6,010)	-
Pension reserve	(661,000)	-	(123,000)	317,000	(467,000)
Sensory room	3,379	-	-	(3,379)	-
	<u>(231,942)</u>	<u>2,742,934</u>	<u>(2,901,425)</u>	<u>44,238</u>	<u>(346,195)</u>
Restricted fixed asset Funds					
DfE/ESFA capital grants	249,379	8,523	(102,580)	-	155,322
Capital expenditure from GAG	658,148	-	(11,556)	266,752	913,344
Donated assets	1,332,559	-	(30,285)	-	1,302,274
Restricted funds	14,038	-	-	6,010	20,048
	<u>2,254,124</u>	<u>8,523</u>	<u>(144,421)</u>	<u>272,762</u>	<u>2,390,988</u>
Total restricted funds	<u>2,022,182</u>	<u>2,751,457</u>	<u>(3,045,846)</u>	<u>317,000</u>	<u>2,044,793</u>
Unrestricted funds					
General funds	596,512	98,132	-	-	694,644
Ashley School Trading Limited	(3,082)	13,415	(37,918)	-	(27,585)
Total unrestricted funds	<u>593,430</u>	<u>111,547</u>	<u>(37,918)</u>	<u>-</u>	<u>667,059</u>
Total funds	<u>2,615,612</u>	<u>2,863,004</u>	<u>(3,083,764)</u>	<u>317,000</u>	<u>2,711,852</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds 2019
	£	£	£	£
Tangible fixed assets	-	-	2,375,954	2,375,954
Net current assets	773,467	-	140,689	914,156
Long term liabilities	-	-	(140,689)	(140,689)
Pension scheme liability	-	(1,100,000)	-	(1,100,000)
Total net assets	773,467	(1,100,000)	2,375,954	2,049,421

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

	Unrestricted funds	Restricted general funds	Restated Restricted fixed asset funds	Total funds 2018 (restated)
	£	£	£	£
Tangible fixed assets	-	-	2,390,988	2,390,988
Net current assets	667,059	120,805	186,830	974,694
Long term liabilities	-	-	(186,830)	(186,830)
Pension scheme liability	-	(467,000)	-	(467,000)
Total net assets	667,059	(346,195)	2,390,988	2,711,852

19. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted for, but not provided in the financial statements	<u>28,784</u>	<u>-</u>

20. COMMITMENTS UNDER OPERATING LEASES

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

	2019 £	2018 £
Amounts due within one year	2,491	580
Amounts due between 1 year and 5 years	<u>5,190</u>	<u>-</u>
	<u>7,681</u>	<u>580</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

21. RECONCILIATION OF NET (EXPENDITURE) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2019		2018	
	Group £	Academy £	(restated) Group £	(restated) Academy £
Net (expenditure)	(136,431)	(131,617)	(220,760)	(236,399)
Depreciation (note 12)	109,524	109,524	144,421	144,421
Loss on fixed asset disposal (note 12)	176	176		
Capital grants from DfE and other capital income	(24,562)	(24,562)	(8,523)	(8,523)
Interest receivable (note 5)	(4,712)	(4,712)	(5,252)	(5,252)
Defined benefit pension scheme cost less contribution payable	93,000	93,000	105,000	105,000
Defined benefit pension finance cost	14,000	14,000	18,000	18,000
(Increase)/Decrease in stock	(1,408)	(1,408)	319	319
(Increase)/decrease in debtors	(32,211)	(32,211)	(35,917)	(19,981)
Increase/(decrease) in creditors	(8,116)	(7,236)	4,553	19,940
Net cash (used in) operating activities	9,260	14,954	1,841	17,525

22. CASHFLOWS FROM INVESTING ACTIVITIES

	2019		2018	
	Group £	Academy £	(restated) Group £	(restated) Academy £
Interest received	4,712	4,712	5,252	5,252
Purchase of tangible fixed assets	(94,666)	(94,666)	(281,285)	(281,285)
Capital grants from DfE/ESFA	24,562	24,562	8,523	8,523
Net cash used in investing activities	(65,392)	(65,392)	(267,510)	(267,510)

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

23. CASHFLOWS FROM FINANCING ACTIVITIES

	2019		2018	
	Group	Academy	(restated) Group	(restated) Academy
	£	£	£	£
Repayments of borrowing	(21,294)	(21,294)	-	-
Cash inflows from new borrowing	56,830	56,830	130,000	130,000
Net cash provided by financing activities	35,536	35,536	130,000	130,000

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

Group:

	At 31 August 2019	At 1 September 2018
	£	
Cash in hand and at bank	945,738	966,334

Academy:

	At 31 August 2019	At 1 September 2018
	£	
Cash in hand and at bank	945,738	960,640

25. MEMBERS' LIABILITY

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

26. PENSION AND SIMILAR OBLIGATIONS

The Academy'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 was 31 March 2012 and of the LGPS 31 March 2016.

Included in other creditors at the year end was outstanding pension contributions amounting to £38,020 (2018: £17,852).

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £157,379 (2018: £166,469).

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

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.

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £200,000 (2018: £191,000), of which employer's contributions totalled £158,000 (2018: £151,000) and employees' contributions totalled £42,000 (2018: £40,000). The agreed contribution rates for future years are 22.5% for employers (reducing at 1% per annum to 2023) and 5.5% - 12.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2019 %	At 31 August 2018 % P.A.
Pension increase rate	2.3	2.3
Salary increase rate	2.6	2.6
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lumps sums	25% and 63%	25% and 63%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,117,000	1,205,000
Bonds	603,000	525,000
Property	491,000	194,000
Cash	27,000	19,000
Total market value of assets	2,238,000	1,943,000

The actual return on the scheme assets for the year was £106,000 (2018: £88,000).

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

26. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amounts recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost (net of employee contributions)	(240,000)	(256,000)
Past service cost	(11,000)	-
Interest cost	(71,000)	(62,000)
Interest income	57,000	44,000
Total amount recognised in the SOFA	<u>(265,000)</u>	<u>(274,000)</u>

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

	2019 £	2018 £
At 1 September 2018	2,410,000	2,339,000
Current service cost	240,000	256,000
Past service cost	11,000	-
Interest cost	71,000	62,000
Employee contribution	42,000	40,000
Actuarial (gains)	575,000	(273,000)
Estimated benefits paid	<u>(15,000)</u>	<u>(14,000)</u>
At 31 August 2019	<u>3,334,000</u>	<u>2,410,000</u>

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

	2019 £	2018 £
At 1 September 2018	1,943,000	1,678,000
Interest income	57,000	44,000
Employer contributions	158,000	151,000
Employee contributions	42,000	40,000
Actuarial gains	49,000	44,000
Estimated benefits paid	<u>(15,000)</u>	<u>(14,000)</u>
At 31 August 2019	<u>2,234,000</u>	<u>1,943,000</u>

Sensitivity analysis

	Approximate % increase in Defined Benefit Obligation £	Approximate monetary amount £
0.5% decrease in the Real Discount Rate	15%	490,000
0.5% increase in the Salary Increase Rate	2%	53,000
0.5% increase in the Pension Increase Rate	13%	429,000

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

27. RELATED PARTY TRANSACTIONS

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

Expenditure Related Party Transactions

During the year ended 31 August 2018 remuneration was paid to Mrs McAvoy, wife of Mr McAvoy former member of the Senior Leadership Team totalling £11,698. Mrs McAvoy was a learning support assistant at the school.

Mr L C Chapman, director of Ashley School Trading Limited, is Headteacher of Priory School, Bury St Edmunds. During the year purchases from Priory School were made for Educational visits amounting to £9,442 (2018: £nil). At the year end £Nil (2018: £Nil) was owed to Priory School from the Trust.

During the year ended 31 August 2018 a provision was made against a debtor due from the Trust's subsidiary. During the year ended 31 August 2019 it was approved by the ESFA for the debtor to be written off for the amount of £40,142, however £4,777 was recovered from the subsidiary.

Income Related Party Transactions

During the year a donation of £1,200 was received from Adnams Community Trust towards the summer school, Mrs K Hester (member) is Chief Operating Officer.

Mr L C Chapman, director of Ashley School Trading Limited, is Headteacher of Priory School, Bury St Edmunds. During the year outreach services, training and sale of equipment was provided to the school amounting to £75,400 (2018: £76,100). At the year end £Nil (2018: £Nil) was owed from Priory School to the trust.

28. RESULTS OF THE ASHLEY SCHOOL ACADEMY TRUST

Net expenditure of £131,617 (2018: income of £236,399 (*restated*)) has been recognised in the accounts of the Trust. The Trust is not required to produce its own Statement of Financial Activities having taken advantage of the exemption provision in Section 408 of the Companies Act 2006.

29. FINANCIAL INSTRUMENTS

The carrying amounts of the academy's financial instruments are as follows:

Financial assets

	2019		2018	
	Group	Academy	Group (<i>restated</i>)	Academy (<i>restated</i>)
Debt instruments measured at amortised cost:				
Stock (note 13)	5,339	5,339	3,931	3,931
Trade debtors and accrued income (note 14)	43,755	43,755	26,652	26,652
Other debtors (note 14)	4,735	4,735	64,256	64,256
Amount owed from group undertakings (note 14)	-	-	-	40,142
	<u>53,829</u>	<u>53,829</u>	<u>94,839</u>	<u>134,981</u>

THE ASHLEY SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

29. FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

	2019 Group	Academy	2018 Group (restated)	Academy (restated)
	£	£	£	£
Measured at amortised cost:				
Trade creditors (note 15)	3,739	3,739	-	-
Other creditors (note 15)	62,866	62,866	17,852	17,852
Accruals (note 15)	76,148	76,148	107,920	107,040
	<u>142,753</u>	<u>142,753</u>	<u>125,772</u>	<u>124,892</u>
Other creditors due after one year (note 16)	140,689	140,689	186,830	186,830
	<u>140,689</u>	<u>140,689</u>	<u>186,830</u>	<u>186,830</u>

30. PRIOR YEAR ADJUSTMENT

Prior year adjustments have been made to the financial statements relating to the accounting period ending 31 August 2018. These correspond to errors resulting from receipts for a salix loan and advance of funding being treated as capital grants from DfE/ESFA.

The prior year financial statements have been restated to correct the following:

	As previously reported £	Prior year adjustment £	Restated £
Statement of Financial Activities			
<u>Income</u>			
Donations and capital grants	148,666	(130,000)	18,666
<u>Balance Sheet</u>			
Debtors	250,712	(120,261)	130,451
Creditors: Amounts falling due after one year	177,091	9,739	186,830
Restricted general funds	(216,195)	(130,000)	(346,195)