

Company Registration No. 09791051 (England and Wales)

ASTREA ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



ASTREA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Stephen Chamberlain
Dame Pat Collarbone (Resigned 01 August 2018)
Jonathan Simons
Valerie Wass (Appointed 01 August 2018)

Trustees

Prof Simon Gregory
Valerie Dunsford
James Muir (Chair of Trustees)
Matthew Robb
Jonathan Simons
Glendon Fendley
Prof Sam Twisleton
Dr Muna Abdi (Appointed 13 June 2018 and resigned 4 December 2018)
Nicholas Peter Cragg (Appointed 25 September 2017)
Chris Rossiter (Appointed 7 December 2018)

Senior management team

- CEO and Accounting Officer	Elisabeth Nicholas
- Executive Director of Operations	Adam Goldstein
- Finance Director	Judith Mouldsdales
- Executive Director of Education	Benedick Ashmore-Short
- Director of Inclusion	Nicola Crossley
- Deputy Director of Education	Andrew Redfern

Company registration number

09791051 (England and Wales)

Registered office

28 Leman Street
London
E1 8ER
United Kingdom

ASTREA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Hexthorpe Primary Academy
Hartley Brook Primary Academy
Gooseacre Primary Academy
The Hill Primary Academy
Highgate Primary Academy
Carrfield Primary Academy
Castle Academy
Greengate Lane Academy
Lower Meadow Primary Academy
Edenthorpe Hall Academy
Hillside Academy
Byron Wood Primary Academy
Cottenham Village College
Denaby Main Primary Academy
Kingfisher Primary Academy
Netherwood Academy
The Centre School
Intake Primary Academy
Atlas Academy
Waverley Primary Academy
Hatfield Primary Academy

Location

Doncaster
Sheffield
Rotherham
Rotherham
Rotherham
Rotherham
Doncaster
Sheffield
Sheffield
Doncaster
Doncaster
Sheffield
Cambridge
Doncaster
Doncaster
Barnsley
Cambridge
Doncaster
Doncaster
Doncaster
Sheffield

Principal

Mrs N Parker-Watts
Mr J Garbutt
Mrs K Godfrey
Mr S Woolley
Ms J Leishman
Mr A Crossley
Mrs A Mason
Mr P Cross
Ms K Brown
Mr J Moody
Mr J Woofenden
Mrs S Ashton
Ms H Cassady
Miss V Gorton
Ms C Skinn
Ms A Wells
Mrs S Raven
Ms H Broad
Ms J Parry
Ms D Humphrey
Miss K Beech

From September 2018

Longsands Academy
Ernulf Academy
Astrea Academy Woodfields (previously Balby Carr)
Astrea Academy Sheffield
Astrea Academy Dearne
St Ivo Academy

Cambridge
Cambridge
Doncaster

Sheffield
Barnsley
Cambridge

Mr M Paine
Ms T Brogan
Ms J Cater

Ms K Walton
Ms J Wilson
Mr S Griffin

Independent auditor

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Solicitors

Stone King
Boundary House, 91 Charterhouse St
Clerkenwell
London
EC1M 6HR

ASTREA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Internal auditor

ICCA Education Training & Skills Ltd
11th Floor, McLaren 46 The Priory
Queensway
Birmingham
B4 7LR

ASTREA ACADEMY TRUST

TRUSTEES' REPORT

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

In the year the Trust operated eighteen primary academies in the South Yorkshire area for pupils aged 2 to 11 and two secondaries in Barnsley and Cambridge for pupils aged 11 to 16. The Trust also operates one school as specialist provision in Cambridge. Its academies have a combined pupil capacity of 9,076 and had a roll of 7,782 in July 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Astrea Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as Astrea Academy Trust.

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of its Master Funding Agreement in place with the Education and Skills Funding Agency, in Primary, Secondary and all through education.

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 amounts as may be required, not exceeding £10; for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the articles of association and funding agreement. The recruitment and succession planning of Trustees must reflect Astrea Academy Trust's ambitions for scale and reach over the next five years. The skills profile of the Board must reflect the governance needs of the Trust.

The following skills categories set out the broad range of skills, knowledge or prior experiences that is expected to be held across the Board:

1. Leadership and Policy
2. Education Performance and Curriculum
3. Finance
4. Risk and Audit
5. Constitutional Governance
6. Strategic Partnerships, External Relationships and Public Relationships
7. Engagements with internal stakeholders
8. Human Resources
9. Estates and Property
10. Health, Safety and Safeguarding

The Astrea Board requires its Trustees to have a broad range of skills and previous experience in order to be effective in governance. The Board carries out a skills audit of Trustees annually to inform the recruitment process, using the categories above to inform decision-making. The steps towards recruiting and appointing a new Trustee are set out below:

1. Create and distribute Trustee role specification

A 'Roles and Responsibilities' document outlining the expectations of an Astrea Trustee is circulated to all potential candidates.

2. Nominations

Nominations may be received from people outside Astrea but a member of the Board or trusted staff member will take over as nominator in this case so that each candidate is 'owned' by someone within the organisation. The nominator should be prepared to champion the candidate through the selection process, advocate for the candidate's fit with Astrea, coach the candidate, act as primary point of contact between Astrea and the candidate, and support contract signing and on-boarding.

3. Executive Board Interview

Following an initial introductory discussion and informal CV review, one on one discussions with an Executive Board member are intended to screen candidates who meet the appointment criteria. A decision will then be taken whether to progress the candidate to a final Chair/Board member discussion, following review of the candidate's suitability against the selection criteria and any skills gaps of the current Board.

4. Chair/Board member final interview

Prior to a formal decision on appointment to the Board all candidates will need a final interview with the Chair of the Board or designated Board member. This is to assess overall suitability to work well as part of the existing team of Trustees.

5. Decision and appointment to Astrea Board

Final ratification of a potential appointment is provided by the overall Board at the subsequent Board meeting. Once this has been approved successful candidates can commence the Astrea Trustee induction process.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

Training and induction provided for new Trustees will depend on their existing experience. An induction meeting is undertaken to provide training on charity, education, legal and financial matters. This series of meetings also sets out the strategy and objectives of the Trust along with the values and vision. All new Trustees are given a tour of at least one of the academies in the group, and a chance to meet with staff and students. All trustees are provided with copies of the Trust policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Trust. On-going governance reviews and training programs are encouraged for all trustees to ensure they continue to make an effective contribution and are keeping up to date with changes in legislation.

Organisational structure

The Trust has established a management structure to enable efficient and effective running of the organisation. The structure consists of three levels: the board of Trustees (the Governors) , the Executive team who are the senior leadership team of the trust, and the Local Education Consultative Committee or Transition Management Board of academies.

Trustees are responsible for setting policy, adopting an annual plan and budget approval, monitoring the impact of the Trust on educational outcomes (including EYFS, KS1, KS2 and KS4 outcomes, and Ofsted outcomes), making major decisions about the direction of the Trust, oversight of capital expenditure and approval of senior staff appointments.

The Principal of each academy is directly responsible for its day-to-day running and is assisted by their senior leadership team. Local committee representatives are responsible for implementing general policy; budget monitoring and overseeing major decisions about the direction of the academy.

The Local Education Consultative Committee is responsible for the implementation of the Trust approved scheme of delegation, which sets out the system of internal controls, responsibilities, and terms of reference. The Local Education Consultative Committee should ensure that the policy is implemented at the point of conversion with on-going reviews taking place.

The Chief Executive of the Trust assumes the role of Accounting Officer.

The Executive Team include;

Elisabeth Nicholas - CEO and Accounting Officer
Adam Goldstein - Executive Director of Operations
Judith Mouldsdaie - Executive Director of Finance
Benedick Ashmore-Short - Executive Director of Education
Nicola Crossley - Executive Director of Inclusion

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation it was proposed that job roles should be banded relative to that of the salary of a newly qualified teacher. The highest paid role **will not exceed seven times** that of a newly qualified teacher.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust and are attentive to excessive levels of pay. An internal benchmarking exercise was undertaken across other Multi-Academy Trusts in particular covering the more senior roles. In addition to this an independent benchmarking and research exercise was undertaken by Judicium HR & Education Consultancy during the year 2017-2018 to make independent recommendations to the Trustees Remuneration Committee. Remuneration is the key function of the Trust's Remuneration Committee. This Committee meets regularly to consider the pay of senior employees and to ensure that pay follows an evidence based process and reflects individuals' roles and responsibilities.

Trade Union Facility Time

Facility time publication legislation requires public sector employers with more than 49 FTE employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employees normal role to undertake trade union duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust meets its statutory obligation to provide facility time to trade union representatives by pooling resources with other schools and academies within the various local authorities in which the Trust's academies are located, to cover the time spent by TU representatives across a number of different employers.

The Trust currently pays into facility time arrangements in the following local authorities:

- Sheffield
- Cambridge

The Trust also has academies in two other local authority areas which does not allow academies to pay into the facilities time arrangements:

- Doncaster
- Barnsley

The Trust therefore publishes facility time information as the total cost of contributions to pooled facility time expressed as a percentage of the total pay bill for the relevant period.

Number of employees who were relevant union officials during the relevant period: 1 (1 FTE)

Percentage of time spent on facilities time: 10%

Percentage of pay bill spent on facilities time:

- Total cost of facilities time: £2k
- Total pay bill: £32.8m
- % of total pay bill spent on facilities time: 0%

Time spent on paid trade union activities during the relevant period:

- 0%: 0 employees
- 1% - 50%: 1 employees
- 51% - 99%: 0 employees
- 100%: 0 employees

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Related Parties and other Connected Charities and Organisations

The Trust does not have any related party transactions.

Astrea is a member of the Confederation of School Trusts (CST), formally known as FASNA and this financial year paid £2k in fees. CST is the national organisation and sector body for school Trusts in England advocating for, connecting and supporting executive and governance leaders.

The Trust is also a part of a MAT group called The Northern Alliance of Trusts, a collaboration between 5 multi-academy Trusts to work on school to school support. This partnership is described for transparency, transactions with member Trusts are carried out at cost but do not meet the definition of related party transactions.

The Trust is also part of a MAT group called The Queen Street Group, a collaboration between Trusts to focus on advocacy for the sector, best practice improvements and conduct. The Group is a vehicle through which leaders at senior levels can learn from each other and accelerate the sharing of best practice.

OBJECTIVES AND ACTIVITIES

The principal objective and activity of the charitable company is to advance education in the UK for the public benefit, in particular by maintaining and developing the operation of academies to provide a broad and balanced education for pupils of all abilities, initially in the South Yorkshire and Cambridge region.

In setting out the trust objectives consideration has been given to the Charities Commission guidance in respect of public benefit when reviewing the aims and objectives of academies (see 'Public Benefit' section).

In accordance with the articles of association the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy. The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Academies, that the curriculum should be broad and balanced; that there will be an emphasis on the needs of the individual pupils including pupils with special educational needs (SEN).

Strategy, Objectives and Activities

The Trust has considered and implemented a 5-year strategic plan to 2021 with the following strategic foundations;

- Leading in academy education
- Driving a high performance culture
- Driving social responsibility and equity
- Driving innovation and expertise

Each function of the Trust has an annual delivery plan with key deliverable objectives in each of these strategic foundations. The Executive Board also identifies key annual priorities. In 2017/18 these priorities were:

- To strengthen governance across all aspects of the organisation by developing more effective relationships and therefore being nationally recognised as experts in governance.
- To ensure strong educational improvement to positively impact the outcomes of pupils
- To drive attendance across the academies
- To focus on SEND provision

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The Trust's Value Partners have been developed as a measure of progress for staff, pupils and Trustees and to inform the Trust's overall operations:

- **Responsibility and Leadership** - Individuals in the Astrea community are accountable for their own decisions and actions and are supported by strong leaders, while trailblazers are encouraged to develop skills and talents in others. The Trust has a strong commitment to developing and nurturing its own leaders.
- **Enjoyment and Innovation** - We know that everyone learns best when they enjoy what they do and are in a position to follow their innate desire to achieve. Astrea pushes boundaries so that pioneering ideas are tried and tested and our academies remain leaders in the advancement of teaching and learning methods.
- **Aspiration and Development** - Every member of the Astrea community, from the youngest pupil to the oldest member of staff, is encouraged to cultivate opportunities to grow. We achieve excellence by being inspired to become the best we can be. The progress and well-being of pupils is our top priority, at the centre of every decision.
- **Collaboration and Inclusion** - Astrea honours and applauds the differences that make us unique whilst actively seeking and celebrating the common ground that binds us together as a strong community. We work together in a productive environment where dynamic ideas are shared in partnership, so that every member of the community may thrive.
- **Honesty and Integrity** - We are honest and open. Astrea decisions and responses are grounded in time-honoured moral principles that remain constant in the face of challenges and change.

To achieve its key objectives the Trust undertakes the following key activities:

- Review and on-going development of new and existing policies and procedures to strengthen the accountability of the Trust.
- Ensure a rich and varied educational experience for all pupils by developing best practice, fostering the development of a knowledge-rich curriculum and providing opportunities for enrichment across the Trust such as competitive sport, cultural literacy and community experience. The Trust will also ensure that best practice is secured through the development of communities of practice and strong leadership development programs.
- Securing value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: group leadership, training, business and administration. The academy trust retain a percentage of each academy's monthly ESFA income in order to provide these services. The percentage retention for the period to 31 August 2018 was 6.5%.

Public benefit

In setting the objectives, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The main public benefit delivered by the trust is the provision of high quality education to its students, which will be evidenced from feedback from external assessments. The Academy Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charities Commission.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT Achievements and performance Primary Results 2018

		2018 Results													
		Key Stage 2													
		Expected Std.				Higher Std.				Avg. Std Score					
Indicator	% achieving expected standard in RWM	% achieving expected standard in reading	% achieving expected standard in writing	% achieving expected standard in maths	% achieving higher standard in RWM	% achieving higher standard in reading	% achieving higher standard in writing	% achieving higher standard in maths	Avg. Std Score in Reading	Avg. Std Score in Maths	Change in RWM	Change in Reading	Change in Writing	Change in Maths	
Astrea	55%	63%	71%	67%	5%	17%	11%	16%	101.2	102.0	12%	12%	7%	8%	
Atlas Academy	33%	42%	42%	50%	4%	17%	21%	13%	95.8	98.6	27%	24%	24%	33%	
Byron Wood	77%	84%	80%	84%	13%	32%	16%	36%	105.2	107.0	14%	20%	4%	1%	
Canfield	57%	61%	87%	76%	0%	13%	9%	9%	101.1	101.9	6%	2%	8%	4%	
Castle	53%	76%	82%	76%	6%	24%	6%	18%	105.0	104.8	21%	21%	11%	28%	
Densby Main	19%	35%	50%	35%	0%	4%	0%	0%	96.6	97.2	-33%	-17%	31%	-36%	
Edneshorpe	63%	74%	74%	78%	4%	26%	19%	19%	104.3	103.3	4%	4%	11%	4%	
Gooleacre	78%	89%	81%	85%	11%	41%	22%	41%	107.9	107.1	20%	26%	23%	14%	
Greengate Lane	78%	81%	85%	81%	7%	26%	15%	11%	105.0	103.6	24%	17%	17%	22%	
Hartley Brook	55%	64%	65%	64%	4%	17%	6%	17%	100.6	101.7	14%	18%	-1%	5%	
Hatfield	32%	46%	62%	50%	0%	0%	4%	2%	97.5	98.5	-2%	5%	-11%	-11%	
Hemthorpe	32%	38%	62%	43%	2%	6%	11%	15%	95.2	97.5	0%	1%	4%	-1%	
Highgate	93%	93%	93%	93%	13%	24%	28%	48%	105.6	107.6	16%	16%	0%	-2%	
Hillside	50%	50%	80%	80%	0%	10%	0%	10%	98.1	102.5	17%	17%	24%	24%	
Intake Academy	76%	88%	88%	82%	6%	6%	21%	12%	104.1	103.8	11%	23%	4%	-5%	
Kingfisher	54%	62%	76%	72%	4%	26%	8%	4%	102.6	101.9	19%	22%	20%	27%	
Lower Meadow	55%	61%	61%	74%	6%	13%	10%	19%	100.3	102.6	20%	16%	11%	21%	
The Hub	33%	46%	49%	47%	0%	7%	0%	4%	99.0	98.4	-6%	-2%	0%	-3%	
Waverley	33%	52%	59%	56%	7%	15%	11%	7%	98.8	99.5	4%	6%	-4%	10%	

In KS1, the percentage of pupils reaching the expected standard has increased by 3% in writing and maths, whilst remaining the same in Reading.

In KS2 combined reading, writing, maths the Astrea result increased by 12% to 55%; a **four-fold** increase on the National improvement.

Outcomes in KS2 reading have increased by 12% to 63%, writing by 7% to 71% and maths by 8% to 67%; thus closing the gap against National where the increases were 3%, 2% and 1% respectively.

Primary results across the Trust have increased from 31% of pupils reaching the expected standard by the end of primary in 2016 to 55% in 2018.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Secondary Results 2018

		2017 Results				2018 Results				Change		
Indicator		National	Astrea	Cottingham	Netherwood	National	Astrea (Cottingham & Netherwood)	Cottingham	Netherwood	Astrea	Cottingham	Netherwood
Progress	Attainment 8	45.30	42.67	50.82	36.92	46.40	42.45	52.73	35.17	-0.22	1.91	-1.75
	Progress 8	-0.03	-0.31	0.48	-0.87	-0.03	-0.27	0.66	-0.91	0.05	0.18	-0.04
	Students Achieving 9-5 in English and Maths	43%	38%	64%	21%	43%	40%	50%	29%	2%	-8%	9%
Basics	Students Achieving 9-5 in English (Best of)	51%	54%	78%	40%	60%	58%	60%	51%	4%	-8%	12%
	Students Achieving 9-5 in Maths	49%	43%	69%	24%	48%	45%	64%	31%	2%	-5%	6%
	Students Achieving 9-4 in English and Maths	64%	56%	75%	43%	64%	59%	74%	49%	3%	-1%	6%
	Students Achieving 9-4 in English (Best of)	75%	67%	82%	56%	76%	72%	79%	67%	5%	-3%	11%
	Students Achieving 9-4 in Maths	69%	63%	79%	51%	69%	63%	79%	52%	0%	0%	1%

In our first full year of secondary results the Trust achieved a significant increase in the Basics 9-5 figure at Netherwood with the P8 figure dropping slightly due to the curriculum legacy issues inherited from the previous school. The P8 figure at CVC has increased **significantly to +0.61** and the gap for pupils of disadvantage has also diminished with the P8 figure increasing by an **incredible +0.5**.

Trust Context and Performance

The Trust's 5 year strategic plan to 2021 is based upon four strategic foundations; Leading in Academy Education, Driving a high Performance Culture, Driving Social Equity and Responsibility, and Driving Innovation and Expertise. Each central function has an Annual Delivery Plan to deliver key strategic milestones in each of these areas and academy based Development Plans are also founded on these Trust strategic aims. This ensures strategic and cultural cohesion across the Trust and the close tracking of key strategic drivers.

2017/18 was a year of significant growth for Astrea, and we finished the year at a markedly different scale from where we started. From a Trust of predominantly primary schools in South Yorkshire, we are now an extended family of schools with new secondary schools, including in Cambridgeshire.

Not only did we grow in scale, but in stature too, building on our growing track record for school improvement. We saw another impressive leap in our Key Stage 2 results - a cumulative 26% increase since 2016 - and we were also pleased that Ofsted also recognised the impact we are having, with 100% of our inspections seeing our schools either improve their "inadequate" or "requires improvement" grade, or retain their "good" status.

We are passionately committed to ensuring that every one of our academies delivers an education that "inspires beyond measure" regardless of their starting point. At Astrea, we aim to instill a number of qualities and dispositions that help every single one of our pupils to fly: resilience, empathy, aspiration, contribution, and happiness. The reporting year saw us launch "The Astrea Promise" – this is our way of creating opportunities and experiences for our pupils to discover, explore and develop these qualities.

The Promise is our commitment to providing a series of these opportunities to Astrea pupils throughout their time with us. During the year, all primary pupils engaged in Promise activities, working their way through bronze, silver and gold levels and experiencing things such as university visits, climbing a mountain, enjoying a residential trip abroad and growing and cooking their own food. We also held our Astrea Olympics at the English Institute of Sport where pupils from Year 1 to 6 enjoyed competitive inter-Trust events.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Our success this year – as any year – rests squarely on the quality and commitment of our colleagues. We are incredibly proud of the calibre of staff we have in each of our academies and in the functions that support each academy. There is real commitment and family loyalty within Astrea, as evidenced in our staff survey, where 87% of staff believe that Astrea has strong values and that these are reflected in day to day behaviours (compared to around 80% in other education organisations). Further, 85% say they feel motivated to do a great job for Astrea (around 11% points above the sector norm).

The inaugural Astrea Annual Conference in June 2018 was a two-day event for Principals, Executive Board, Local Committee Chairs, Trustees and Members to collaborate on strategic plans and developments for 2018-19 and to celebrate the successes of the Trust and our colleagues. The event culminated in the first "Astrea Teaching Awards" where colleagues from across the Trust were recognised and awarded for their valued contributions and impact on the education and life chances of our pupils.

Academy Performance

Atlas Academy joined the Trust as a sponsored conversion in November 2017 with the school judged to be in Special Measures in May 2017. Outcomes in July 2018 showed a significant increase across all subjects in KS2 with the combined measure showing a 27% increase. The quality of teaching is now Requires Improvement. Attendance is a focus at 94% however the school has much higher than average pupil mobility.

Byron Wood Academy opened as converter academy in August 2016. Its previous inspection in July 2015 judged overall effectiveness as Requires Improvement. Outcomes in July 2018 increased by 14% in the combined measure to 77% - 12% above the National figure. KS2 progress is significantly above national average overall in all subjects. Progress in mathematics was in the top 10% nationally. The quality of teaching is Good with Outstanding. Attendance has seen a big improvement and currently stands at 96.0%.

Castle Academy joined the Trust as a stand-alone academy transfer in June 2016. Its previous inspection in May 2016 judged overall effectiveness as Inadequate. Outcomes in July 2018 increased by an incredible 21% to RWM 53%. The quality of teaching is now Good. Pupil attendance remains steady and above 95.4%.

Carrfield Academy joined the Trust as an academy transfer in May 2016. The school joined the Trust with a DfE "Letter of Comfort" acknowledging that the school was in Special Measures. The OFSTED Inspection in November of 2017 gave the school a Good judgement. Outcomes in July 2018 showed KS1 attainment and EYFS development to be above national figures. Outcomes for KS2 in July 2018 showed a 6% uplift in reading, writing and maths combined to 57%. Attendance in 2017/18 was 95.1%.

Cottenham Village College joined the Trust as an academy transfer in June 2017. Its previous inspection in November 2015 judged the school to be "Good" however a recent Challenge partners review judged the school Outstanding. Outcomes at KS4 were well above national average with a Progress 8 figure of 0.66. Attendance is 94.7%.

The Centre School is a specialist in SEMH provision and joined the Trust as an academy specialist provision transfer in June 2017. The most recent inspection in January 2017 judged to the school to be Good. The quality of teaching is good.

Denaby Main joined the Trust as an academy conversion in October 2016. There was an improvement in the KS1 outcomes for 2018. However, there was a decline in KS2 outcomes driven by a challenging cohort. A new Executive Principal took up post in September 2018. Quality of teaching is now Requires Improvement and outcomes will increase in 2019. Attendance is 95.3%.

Edenthorpe Hall Academy joined the Trust as a sponsored academy in August 2016. Outcomes in July 2018 increased in reading, writing and maths combined to 63% bringing the school in line with National. KS1 outcomes were also broadly in line with the national figure. The quality of teaching is Good. Attendance is continuing to improve and currently stands at 95.7%. The number of fixed term exclusions are below national average.

Gooseacre Academy joined the Trust as an academy transfer in May 2016. Gooseacre had a short OFSTED Inspection in July 2018 and was judged to be Good with a recommendation the next Inspection be a full Section 5 with a view to achieving an Outstanding judgement. KS2 outcomes in July 2018 saw a significant improvement on the previous year with both Attainment and Progress measures being well above National; RWM was 78%. The quality of teaching is Outstanding, attendance currently stands at 95.5%.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Greengate Lane Academy joined the trust as an academy transfer in August 2016. Its inspection in October 2018 judged overall effectiveness as Good with Outstanding for Early Years. Outcomes in July 2018 showed a significant increase in the combined measure of 24% to 78% (13% above national). KS1 attainment was above national figures. The quality of teaching is good with outstanding. Attendance remains steady and above 95% and the number of fixed term exclusions remains above national average.

Highgate Academy joined the Trust as an academy transfer in May 2016. Its inspection in June 2017 judged overall effectiveness to be Good. Outcomes in July 2018 across all Key Stages were above National with the percentage of students achieving the expected standard in Reading, Writing and Maths reaching 91%. The quality of teaching is Outstanding. Attendance is improving year on year and is currently approximately 95%.

The Hill Academy joined the Trust as an academy transfer in May 2016. Its most recent inspection in October 2016 judged overall effectiveness to be Inadequate. A recent OFSTED visit has highlighted significant improvements across the School and has recommended a full Section 5 visit with a view to the School moving out of Special Measures. KS1 outcomes showed significant improvement on previous years with outcomes at KS2 in line with previous years. There has been significant improvement in Pupil Attendance which currently stands at 95% and fixed term exclusions have seen a dramatic decrease.

Hatfield Academy joined the Trust as an academy transfer in May 2016. Its previous inspection in June 2015 judged overall effectiveness as Inadequate. Outcomes in July 2018 were below average across the Key Stages. Rapid improvements are being evidenced since the new Principal took up post in May 2018 and the quality of teaching is now Good. Pupil attendance remains steady and above 95% and the number of fixed term exclusions is reducing.

Hartley Brook Academy joined the Trust as an academy transfer in May 2016 with a "Letter of Comfort" from the DfE recognising that the school was in Special Measures. Outcomes in July 2017 improved rapidly and in July 2018 improved even further with a 14% uplift in reading, writing and maths combined to 55%. KS1 outcomes are broadly in line with average. The quality of teaching is now Good and inclusion is outstanding. Pupil attendance is improving.

Hillside Academy opened as a sponsored academy in August 2016. Outcomes in July 2018 increased by 17% in combined reading, writing and maths to 50%. Outcomes in Maths are a particular highlight with 80% of the cohort achieving the expected standard which is above National. Attendance has seen a big improvement and currently stands at 94.2% a 1% improvement on last year. The number of fixed term exclusions remains above national average.

Hexthorpe Academy joined the Trust as an academy conversion in September 2016. Its most recent inspection in November 2017 showed the school to "Require Improvement". The 2018 outcomes at KS2 remained in line with previous years' outcomes at 32% however the demographic of the school is one of exceptionally high mobility which brings huge challenges for the school. For those pupils who have been in the school throughout primary RWM combined was 56%. Attendance has seen a huge improvement and currently stands at 95.4%.

Intake Academy joined the Trust from Doncaster Local Authority in October 2017. Its most recent inspection in April 2017 showed the school to be 'Good'. KS2 outcomes in July 2018 saw a significant improvement on the previous year to 76% combined with both Attainment and Progress measures being well above national. The quality of teaching is outstanding, Attendance currently stands at 95.4%.

Kingfisher joined the Trust as an academy conversion in February 2017. Its most recent inspection in October 2013 showed the school to be 'Good' however this was not the case when the school joined the Trust. 2018 KS2 outcomes showed a significant improvement of 19% so that 54% pupils achieved the expected standard in reading, writing and maths. The quality of teaching is now securely Good. Attendance currently stands at 96.0%.

Lower Meadow Primary Academy joined the Trust as a sponsored academy in July 2016. Outcomes in July 2018 improved by 20% for combined reading, writing and maths to 55% and progress is above the national average. KS1 outcomes also saw improvements on the previous year. The quality of teaching is now Good. Pupil attendance has seen a dramatic improvement with Attendance for 2017/18 at 95.2%.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Netherwood Academy joined the Trust as a secondary academy conversion in May 2017. Its most recent inspection in July 2014 showed the school to be 'Requires Improvement' however outcomes over previous 3 years have been in the bottom of 5% of all schools nationally and to this end the Trust executive received a "Letter of Comfort" from the DfE categorising the school in special measures. Outcomes in 2018 were below national average however significant improvements were seen in the English and Maths outcomes moving the school out of the bottom 5%.

Waverley Academy joined the Trust as an academy re-brokerage from the now defunct Wakefield City Academies Trust in April 2018. The school is judged to be in Special Measures. Outcomes in July 2018 were in line with previous years but current Predictions show an expected increase for Outcomes in 2019 and the quality of teaching has improved.

Financial review

During the period, ESFA/ALA grants totalled £40,301,000 (2017: £28,335,000). Restricted fund expenditure totalled to £41,547,000 (2017: £29,805,000) excluding the value of pension deficits relating to local authority pension schemes transferred into the trust during the year.

A source of unrestricted income was funds transferred on conversion of the academies to the trust totalling £257,000 (2017: £1,055,000). During the year 2 primary schools joined the Trust from local authority control and 1 school joined from the now defunct academy trust, Wakefield City Academies Trust (WCAT). The value of net assets transferred into the Trust in respect of these schools was £4,186,000 (2017: 4 schools from local authority control and 2 schools joining from an existing academy trust with a transfer value of £24,493,000).

Other trading activities during the period amounted to £166,000 (2017: £531,000).

Net assets have increased during the year as a result of 3 primary schools transferred into the Trust and a reduction in creditors compared to last year, £2,401,000 (2017: £2,428,000)

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. This does not present the Trust with any liquidity problem. The employer contributions since July 2017 have increased and it is expected that they will continue to increase further.

Overall the Trust has a healthy balance sheet and cash balance and will be using reserves to maintain the current assets and also to invest back into the schools in the form of additional resources and facilities in conjunction with the school development plans and Astrea strategic aims.

The Trustees, through the Finance, Risk and Audit Committee, receive financial progress reports monthly throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance, Risk and Audit Committee also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfill the aims of the academies and the Trust.

The assets were used exclusively for providing education and the associated support services to all the pupils of the academies.

The deficits in the Local Government Pensions Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS 102.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

Reserves brought over by schools joining the Trust are accounted for as income in the year of conversion or transfer. Schools can apply to access these funds for exceptional expenditure in year once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which becomes available to the academy and is to be spent at the Trustees' discretion in furtherance of any of the academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is free).

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping within the principal object of the Trust.

2017-2018 was a year of flat actual but anticipated growth with four large secondaries (three from under performing now defunct Trusts) joining the Trust in September 2018. The Trustees therefore took the strategic decision to invest in school improvement resources and capacity prior to these schools on-boarding. This was a decision to ensure the schools benefitted from rapid school improvement in the year prior to legally joining the Trust. There was therefore an investment in the organisational capacity of the Trust from reserves of the year prior. Unrestricted reserves will grow again during 2018-2019 and in subsequent years.

The net movement of Unrestricted Funds during the year of £1.558M was due to up-scaling capacity in anticipation of incoming schools' needs. Total reserves at the end of the period amounted to £55,413,000 (2017: £51,714,000). This balance includes unrestricted funds (free reserves) of £901,000 (2017: £2,459,000) which is considered appropriate for the academy trust, and restricted funds of £54,512,000 (2017: £49,255,000).

Within the reserves policy it should be noted that, because of accounting for Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totaling to £16,021,000 (2017: £16,187,000). This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

It should be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect on the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this into account when reviewing current business plans and budgets, and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit may not be eliminated there should be no actual cashflow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment policy

It should be noted that the Academy Trust has substantial powers with regards to investment due to cash balances held in the central bank account. A Trust Investment policy is yet to be fully implemented, however at academy level the funds the academy has access to can cover any immediate expenditure without the need to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31 August 2018 no investments, except for bank deposits were held.

Fundraising

Fundraising has been undertaken through a salaried member of the Trust's team. No professional fundraisers or commercial participators have been engaged.

The Trust abides by the code of fundraising practice. Fundraising activity in this financial year consisted of applications to grant making trusts. No appeals to members of the public have been made.

The fundraising function of the Trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

1. Income and Expenditure KPIs

The Trustees use certain high-level key performance indicators to monitor the overall financial performance of the Trust. The key performance indicators for the past two years(1) are shown below and have been compared with the 2-year average sector benchmarks for Multi-Academy Trusts(2).

	2017	2018	2-year average	2-year MAT(2) Average
<u>Income KPIs</u>				
GAG per pupil	3,285	4,132	3,709	4,446
Total income per pupil	4,191	5,179	4,685	5,722
<u>Expenditure KPIs</u>				
Staff costs % of total expenditure	75%	76%	75%	73%
Teaching & Ed Support as a % of staff costs	84%	75%	80%	78%
Non-staff costs per pupil	1,163	1,424	1,294	1,829

1. The Trust's first full year of operation was 31 August 2017.
2. 2-year average calculated based on the KPIs in the UHY Academies Benchmarking Report 2016 and 2017.

As can be seen from the table above, over the last two years, the Trust received on average lower per pupil income, it had well controlled staff costs and below average non-staff costs per pupil:

- GAG income per pupil was 17% lower than the MAT average; and
- Total income per pupil was 18% lower than the MAT average; but
- Average staff costs as a total expenditure was 75%, and the average proportion of teaching and education support staff costs as a % of total staff costs was 80%; both KPIs were in-line with the sector average; whilst
- Non-staff costs per pupil over the last two years was c. £1,300, which was almost a third (c. £535 per pupil) less than the sector average.

2. Balance Sheet KPIs

The Trustees view the reserves of the Trust at 31 August 2018 as reasonable and not excessive:

- For the year ended 31 August 2018, the unrestricted reserves as a % of GAG income was 3%; and
- Whilst this was below the target set by the Trust's reserves policy, it was within the target range set by the ESFA of between 3-5%, with ESFA guidance setting reserves over 5% and 8% as excessive for secondaries and primaries, respectively.

At the Balance Sheet date, the reserves were underpinned by a strong financial position and cash reserves:

- Net current assets were £1.5m;
- Cash at the year end was £1.8m, which equated to 4% of total income and 5% of staff costs; and
- Minimum month end cash balances during the year were consistently in excess of £0.5m.

The Trustees are satisfied with the financial position of the Trust at 31 August 2018. But in view of the uncertainty around future funding levels and likely annual costs increases, the Trustees will continue to target future annual in-year surpluses of c. 1% of GAG income to strengthen the reserve position of the Trust.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

Astrea is committed to improving educational outcomes for pupils across both primary, secondary and special needs education. Our value partners underpin the work undertaken by staff and Trustees:

Responsibility and Leadership, Enjoyment and Innovation, Aspiration and Development, Collaboration and Inclusion, Honesty and Integrity.

Recognition and support for pupils, some of whom come from challenging backgrounds, ensures that we value all round development of the individual through arts, sports, leadership opportunities, enrichment and the community.

The significant up-scaling of organisational capacity during year 2017-2018 means that the Trust has the capacity to ensure rapid school improvement across all phases in all Astrea academies. This has been evidenced in a 100% track record of positive Ofsted judgements and by the four-fold increase of the national average outcomes at KS2. Six secondary schools joined the Trust in 2018-19 The Dearne on 1st February 2019 and St Ivo on 1st March 2019.

Principal risks and uncertainties

A Trust risk register has been established and which is reviewed and updated regularly. Systems and procedures have been established to mitigate the risks the Trust faces. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to recruiting staff, teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors ensuring they are able to work with pupils, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK government covers the losses instead of commercial insurance.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

There are six principal operational risks and uncertainties relating to the Trust.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Risk	Mitigation
1. Exam results are significantly below expectations within an academy or more generally	There is a programme of data collection to provide the school improvement team with academies' predictions of exam performance. Directors and Deputy Directors are tasked with reviewing and challenging the practice that sits behind this data and putting in place interventions where there is underperformance.
2. Over expansion leads to loss of control	Growth is carefully controlled in coordination with the trustees and the DfE. Growth is within the control of the Trust. Budgets and cash flow forecasts are carefully monitored by the Finance Risk and Audit Committee. Growth is matched to the capacity in central resources.
3. Changes in the basis of funding for academies reduces income or creates financial challenges	All academies produce three year budgets which are reviewed in detail by the Finance Risk and Audit Committee. Changes in funding are likely to be publicised well in advance and be accompanied by transitional arrangements. The Trust is able to allocate financial resources to the areas of greatest need.
4. Trust overall is unable to produce a balanced budget	All academies produce annual budgets which are approved by the Finance Risk and Audit Committee. Academies are challenged if budgetary projections are not robust. Restructuring plans can be put into place to reduce costs if necessary. More is being done to drive efficiencies by sharing back office facilities between academies.
5. The Trust will be unable to recruit and retain sufficient highly skilled teachers especially in certain key subjects	Principals are fully engaged with anticipating future teacher vacancies. A strategic partnership between the Trust and ITT universities ensures strong recruitment of NQTs every year. A proactive approach is taken in seeking out and recruiting the best teachers from the UK and overseas. Academies train their own teachers. Work is on going to ensure that the Trust remains an employer of choice.
6. An incident could occur in one of the academies, which could cause reputational damage to the Trust	The Trust places the highest importance on the safety and wellbeing of students and staff within its academies.

ASTREA ACADEMY TRUST

TRUSTEES' REPORT (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.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

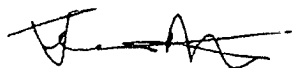
The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 08 March 2019 and signed on its behalf by:



James Muir
Chair of Trustees

ASTREA ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Astrea 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 CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Astrea 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 seven times during the Period. Attendance during the Period at meetings of the board of trustees was as follows:

	Meetings attended	Out of possible
Board		
Glen Fendley	4	7
James Muir (Chair)	7	7
Jonathan Simons	4	7
Matt Robb	6	7
Muna Abdi	0	1
Nick Cragg	7	7
Sam Twiselton	6	7
Simon Gregory (Vice Chair)	6	7
Valerie Dunsford	3	7
Finance, Risk and Audit Committee		
James Muir	3	4
Matt Robb (Committee Chair)	4	4
Nick Cragg	3	4
HR Committee		
Jonathan Simons	1	1
Sam Twiselton (Committee Chair)	3	3
Valerie Dunsford	3	3
Education Committee		
Glen Fendley	1	3
Jonathan Simons	1	2
Sam Twiselton	4	4
Valerie Dunsford (Committee Chair)	4	4
Remuneration Committee		
Glen Fendley	1	1
Simon Gregory (Committee Chair)	1	1
Valerie Dunsford	1	1

ASTREA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Trustees' reviewed governance arrangements across the Trust in anticipation of the 2017-18 academic year. Astrea subsequently launched a refreshed Governance framework and scheme of governance delegation, designed and agreed in collaboration with DfE, in September 2017. The Trust's Head of Governance and Legal has worked with local governance committees to ensure clarity of roles and responsibilities at academy-level, and an appreciation of where local committees fit into the Trust's overall governance structure. The Board of Trustees assesses the effectiveness of the Trust's governance model on an annual basis.

The Finance, Risk and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To receive Academies' budgets for approval and consider and recommend acceptance/non-acceptance of the Academy Trust's budget to the Trustees.
- To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.
- To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board.
- To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports (eg from the National Audit Office).

Review of value for money

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

The CEO reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Having a dedicated team, who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- Procurement of services that benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our academies for example through catering tendering for the primary schools.
- The use of Supernova teachers across the Trust to drive down supply agency costs.
- The introduction of curriculum-led financial planning to drive decision-making about resources at school-level.
- Termly finance review meetings with Principals to monitor budgetary compliance and delivery of value for money.

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 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 Astrea Academy Trust for the period to 31 August 2018 and up to the date of approval of the annual report and financial statements.

ASTREA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 have been in place for the period to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Finance, Risk and Audit Committee, with any recommendations for changes being made to the Board of Trustees.

The risk and control framework

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

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

The internal auditor's role includes giving expert advice and performing a range of checks on the Trust's system of internal controls. The outputs from these reviews are discussed at the Finance, Risk and Audit Committee, and reported to the Board of Trustees where necessary.

The Board of Trustees has appointed ICCA Education Training and Skills as Astrea's internal auditor. The scope of the internal audit work over a three-year internal audit cycle includes the following;

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank accounts
- testing of compliance with the scheme of delegation and internal controls
- incident management and reporting
- GDPR readiness
- IT data security

Review of effectiveness

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

- The work of the external auditor and internal 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.

ASTREA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the risk and audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 08 March 2019 and signed on its behalf by:



James Muir
Chair of Trustees



Elisabeth Nicholas
Accounting Officer

ASTREA ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Astrea 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 2017.

I confirm that I and the Academy Trust's 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 2017.

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



Elisabeth Nicholas
Accounting Officer

08 March 2019

ASTREA ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Astrea Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 08 March 2019 and signed on its behalf by:



James Muir
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTREA ACADEMY TRUST

Opinion

We have audited the financial statements of Astrea Academy Trust (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 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 charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 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 charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTREA ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Paul Oxtoby (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

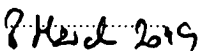
Chartered Accountants

St Philips Point

Temple Row

Birmingham

West Midlands, B2 5AF



ASTREA ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2018	Total 2017
	Notes	£000	£000	£000	£000	£000
Income from:						
Donations and capital grants	3	-	-	979	979	713
Donations - transfer on conversion	27	132	-	4,385	4,517	12,520
Donations - transfer of existing academy into the trust	27	125	-	1,400	1,525	18,462
Charitable activities:						
- Funding for educational operations	4	1,846	40,301	-	42,147	28,972
Other trading activities	5	166	-	-	166	531
Investments	6	9	-	-	9	5
Total		<u>2,278</u>	<u>40,301</u>	<u>6,764</u>	<u>49,343</u>	<u>61,203</u>
Expenditure on:						
Raising funds	7	71	-	-	71	42
Charitable activities:						
- Educational operations	8	3,765	41,547	1,733	47,045	31,898
Charitable expenditure - transfer on conversion	27	-	1,281	-	1,281	4,871
Charitable expenditure - transfer of existing academy into the trust	27	-	575	-	575	1,618
Total	7	<u>3,836</u>	<u>43,403</u>	<u>1,733</u>	<u>48,972</u>	<u>38,429</u>
Net income/(expenditure)		(1,558)	(3,102)	5,031	371	22,774
Transfers between funds	18	-	(121)	121	-	-
Other recognised gains						
Actuarial gains on defined benefit pension schemes	24	-	3,328	-	3,328	2,203
Net movement in funds		(1,558)	105	5,152	3,699	24,977
Reconciliation of funds						
Total funds brought forward		<u>2,459</u>	<u>(16,126)</u>	<u>65,381</u>	<u>51,714</u>	<u>26,737</u>
Total funds carried forward		<u>901</u>	<u>(16,021)</u>	<u>70,533</u>	<u>55,413</u>	<u>51,714</u>

ASTREA ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

		2018		2017	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		69,963		64,658
Current assets					
Debtors	14	2,057		2,462	
Cash at bank and in hand		1,815		3,209	
		<u>3,872</u>		<u>5,671</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,401)		(2,428)	
Net current assets			1,471		3,243
Net assets excluding pension liability			71,434		67,901
Defined benefit pension scheme liability	24		(16,021)		(16,187)
Net assets			<u>55,413</u>		<u>51,714</u>
Funds of the Academy Trust:					
Restricted funds	18				
- Restricted fixed asset funds			70,533		65,381
- Restricted income funds			-		61
- Pension reserve			(16,021)		(16,187)
Total restricted funds			54,512		49,255
Unrestricted income funds	18		901		2,459
Total funds			<u>55,413</u>		<u>51,714</u>

The financial statements on pages 28 to 55 were approved by the Board of Trustees and authorised for issue on 08 March 2019 and are signed on their behalf by:



James Muir
Chair of Trustees

ASTREA ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Net cash used in operating activities	22		(1,386)		(1,095)
Cash flows from investing activities					
Dividends, interest and rents from investments		9		5	
Capital grants from DfE Group		935		619	
Capital funding received from sponsors and others		44		43	
Purchase of tangible fixed assets		(1,253)		(375)	
Cash funds transferred on conversion		257		1,505	
Net cash (used in)/provided by investing activities			(8)		1,797
Net (decrease)/increase in cash and cash equivalents in the reporting period			(1,394)		702
Cash and cash equivalents at beginning of the year			3,209		2,507
Cash and cash equivalents at end of the year			1,815		3,209

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

Astrca Academy Trust is a charitable company (the 'Academy Trust'), incorporated in England and Wales. The address of its principal place of business is the same as that of its registered office given on page 1 and the nature of its operations are set out in the Trustees' report.

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

Basis of preparation

The financial statements of the Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Astrea Academy Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

Going concern

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

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Conversion to an academy trust

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

The assets and liabilities transferred on conversion to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion/Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Transfer of an existing academy

The transfer of an existing academy into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Where assets are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within donations and capital grant income.

Income

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

Grants

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

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Donated fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold land and buildings	50 years straight line
Freehold buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings and equipment	4 years straight line

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

Liabilities

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

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Taxation

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

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

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

Employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of property plant and equipment.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit pension scheme.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	979	979	661
Other donations	-	-	-	52
	<u>-</u>	<u>979</u>	<u>979</u>	<u>713</u>

The income from donations and capital grants was £979,000 (2017: £713,000) of which £nil was unrestricted (2017: £52,000) and £979,000 was restricted fixed assets (2017: £661,000).

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	32,158	32,158	22,288
Start up grants	-	747	747	647
Other DfE group grants	-	901	901	261
Pupil premium	-	3,614	3,614	3,282
	-	37,420	37,420	26,478
Other government grants				
Local authority grants	-	2,750	2,750	1,536
Special educational projects	-	131	131	321
	-	2,881	2,881	1,857
Other incoming resources	1,846	-	1,846	637
	1,846	40,301	42,147	28,972

The income from funding for educational operations was £42,147,000 (2017: £28,972,000) of which £1,846,000 was unrestricted (2017: £637,000) and £40,301,000 was restricted (2017: £28,335,000).

Including within Other incoming resources is catering income of £648,000 (2017: £372,000) and trip income of £379,000 (2017: £125,000).

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	156	-	156	16
Music tuition	10	-	10	5
Other income	-	-	-	510
	166	-	166	531

The income from other trading activities was £166,000 (2017: £531,000) of which £166,000 was unrestricted (2017: £531,000).

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Interest from short term deposits	9	-	9	5

The income from funding for investment income was £9,000 (2017: £5,000) of which £9,000 was unrestricted (2017: £5,000).

7 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
- Direct costs	-	-	71	71	42
Academy's educational operations					
- Direct costs	25,883	-	3,671	29,554	22,134
- Allocated support costs	8,424	5,233	3,834	17,491	9,764
Pension deficits transferred from local authority on conversion	-	-	1,281	1,281	4,871
Pension deficits transferred from existing academy	-	-	575	575	1,618
Total support costs	34,307	5,233	9,432	48,972	38,429

The expenditure on raising funds was £71,000 (2017: £42,000) of which £71,000 was unrestricted (2017: £42,000).

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Operating lease rentals	29	22
Depreciation of tangible fixed assets	1,733	982
Net interest on defined benefit pension liability	448	332
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	38	36
- Other assurance services	16	12
- All other non-audit services	13	13

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs				
Educational operations	618	28,936	29,554	22,134
Support costs				
Educational operations	3,147	14,344	17,491	9,764
	<u>3,765</u>	<u>43,280</u>	<u>47,045</u>	<u>31,898</u>

The expenditure on charitable activities was £47,045,000 (2017: £31,898,000) of which £3,765,000 was unrestricted (2017: £1,111,000), £41,547,000 was restricted (2017: £29,805,000) and £1,733,000 was restricted fixed assets (2017: £982,000).

	2018 £000	2017 £000
Analysis of support costs		
Support staff costs	8,424	3,723
Depreciation	1,733	982
Technology costs	214	153
Premises costs	3,304	1,919
Other support costs	2,875	2,149
Governance costs	941	838
	<u>17,491</u>	<u>9,764</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £000	2017 £000
Wages and salaries	25,120	16,766
Social security costs	2,265	1,657
Pension costs	5,256	3,449
Staff costs	<u>32,641</u>	<u>21,872</u>
Agency staff costs	1,199	1,019
Staff restructuring costs	109	147
Staff development and other staff costs	358	38
Total staff expenditure	<u>34,307</u>	<u>23,076</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff (Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £109,136 (2017: £147,479). Individually, the payments were: £3,390 made on 30 April 2018, £3,500 made on 31 December 2017, £11,180 made on 30 April 2018, £18,500 made on 31 December 2017, £11,851 made on 30 April 2018, £15,700 made on 28 February 2018, £13,850 made on 28 February 2018, £12,000 made on 31 August 2017, £12,500 made on 31 December 2017 and £6,665 made on 31 May 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	371	297
Administration and support	755	724
	<u>1,126</u>	<u>1,021</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	9	7
£70,001 - £80,000	6	3
£80,001 - £90,000	2	3
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£170,001 - £180,000	1	-
	<u>1</u>	<u>-</u>

This increase is not a pay rise for the CEO but rather reflects a reconciliation of a contractual obligation which was overlooked in financial year 2016-17 and rectified in year 2017-2018. The CEO's salary has remained for three years at the point on which she was appointed in January 2016.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £817,000 (2017: £751,000).

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

10 Central services

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

- Accountancy and financial planning systems;
- Accountancy support;
- HR support;
- Payroll;
- Estates strategic management and capital improvement;
- Governance support;
- Policy development;
- Executive Principals and Associate School Leaders;
- School Performance Management;
- Risk Management;
- School leadership development and training;
- School leadership performance management;
- Trust leadership and networking;
- Liaison with regulators and policy makers (DfE, EFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House).
- Media and publicity management;
- Crisis management

The Academy Trust charges for these services on the following basis:

- flat percentage of GAG income 6.5%

The amounts charged during the year were as follows:

	2018 £000	2017 £000
Hatfield Primary Academy	107	116
Hartley Brook Primary Academy	166	166
Gooseacre Primary Academy	73	70
The Hill Primary Academy	112	112
Highgate Primary Academy	78	78
Carrfield Primary Academy	79	79
Castle Academy	46	52
Greengate Lane Academy	55	59
Lower Meadow Primary Academy	79	76
Edenthorpe Hall Academy	49	51
Hillside Academy	26	31
Byron Wood Primary Academy	122	128
Cottenham Village College	262	48
Denaby Main Primary Academy	48	48
Hexthorpe Primary Academy	113	115
Kingfisher Primary Academy	95	56
Netherwood Academy	379	128
The Centre School	33	28
Atlas Academy	59	-
Intake Primary Academy	63	-
Waverley Primary Academy	27	-
	<u>2,071</u>	<u>1,441</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

The CEO is not a Trustee and only received remuneration in capacity as an employee of the Trust.

Trustees did not receive any payments from the Academy Trust. The value of trustees' remuneration and other benefits was as follows:

During the year ended 31 August 2018 1 trustee (2017 - 4 trustees) claimed expenses from the Academy Trust. The expenses incurred were in respect of travel and subsistence and an amount of £3,000 (2017 - £3,000) was reimbursed by the Academy Trust.

12 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The individual cost for this element of the insurance is not separately identifiable (2017 - same). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2017	48,450	17,497	102	332	66,381
Transfer on conversion	4,385	-	-	-	4,385
Transfer from existing academy	1,400	-	-	-	1,400
Additions	279	-	243	731	1,253
	<u>54,514</u>	<u>17,497</u>	<u>345</u>	<u>1,063</u>	<u>73,419</u>
At 31 August 2018	54,514	17,497	345	1,063	73,419
Depreciation					
At 1 September 2017	1,610	60	39	14	1,723
Charge for the year	1,180	239	80	234	1,733
	<u>2,790</u>	<u>299</u>	<u>119</u>	<u>248</u>	<u>3,456</u>
At 31 August 2018	2,790	299	119	248	3,456
Net book value					
At 31 August 2018	51,724	17,198	226	815	69,963
	<u>51,724</u>	<u>17,198</u>	<u>226</u>	<u>815</u>	<u>69,963</u>
At 31 August 2017	46,840	17,437	63	318	64,658
	<u>46,840</u>	<u>17,437</u>	<u>63</u>	<u>318</u>	<u>64,658</u>

Included within freehold land and buildings is land with a value of £1,277,643 (2017: £1,277,643) which is not depreciated.

During the year long leasehold land and buildings with a fair value of £4,385,000 were transferred into the Academy Trust on the conversion of two local authority schools and long leasehold land and buildings with a fair value of £1,400,000 were transferred into the Academy Trust from an existing Academy.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14 Debtors	2018	2017
	£000	£000
Trade debtors	154	38
VAT recoverable	922	1,233
Other debtors	-	36
Prepayments and accrued income	981	1,155
	<u>2,057</u>	<u>2,462</u>
15 Creditors: amounts falling due within one year	2018	2017
	£000	£000
Trade creditors	178	445
Other taxation and social security	585	428
Other creditors	475	123
Accruals and deferred income (see note 16)	1,163	1,432
	<u>2,401</u>	<u>2,428</u>
16 Deferred income	2018	2017
	£000	£000
Deferred income is included within:		
Creditors due within one year	<u>503</u>	<u>359</u>
Deferred income at 1 September 2017	359	232
Released from previous years	(359)	(232)
Resources deferred in the year	<u>503</u>	<u>359</u>
Deferred income at 31 August 2018	<u><u>503</u></u>	<u><u>359</u></u>
The deferred income balance of £503,000 (2017: £359,000) relates to free school meals income received for future periods.		
17 Financial instruments	2018	2017
	£000	£000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>797</u>	<u>1,137</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>994</u>	<u>1,642</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	32,158	(32,037)	(121)	-
Start up grants	-	747	(747)	-	-
Other DfE / ESFA grants	-	4,515	(4,515)	-	-
Other government grants	-	2,881	(2,881)	-	-
Other restricted funds	61	-	(61)	-	-
Pension reserve	(16,187)	-	(3,162)	3,328	(16,021)
	<u>(16,126)</u>	<u>40,301</u>	<u>(43,403)</u>	<u>3,207</u>	<u>(16,021)</u>
Restricted fixed asset funds					
Transfer on conversion	64,648	5,785	(1,733)	-	68,700
Other DfE / ESFA capital grants	733	979	-	121	1,833
	<u>65,381</u>	<u>6,764</u>	<u>(1,733)</u>	<u>121</u>	<u>70,533</u>
Total restricted funds	<u>49,255</u>	<u>47,065</u>	<u>(45,136)</u>	<u>3,328</u>	<u>54,512</u>
Unrestricted funds					
General funds	2,459	2,278	(3,836)	-	901
Total funds	<u>51,714</u>	<u>49,343</u>	<u>(48,972)</u>	<u>3,328</u>	<u>55,413</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	590	22,288	(22,878)	-	-
Start up grants	-	647	(647)	-	-
Other DfE / ESFA grants	-	3,543	(3,543)	-	-
Other government grants	-	1,857	(1,857)	-	-
Other restricted funds	-	61	-	-	61
Pension reserve	(11,021)	-	(7,369)	2,203	(16,187)
	<u>(10,431)</u>	<u>28,396</u>	<u>(36,294)</u>	<u>2,203</u>	<u>(16,126)</u>
Restricted fixed asset funds					
Transfer on conversion	35,765	29,866	(983)	-	64,648
Other DfE / ESFA capital grants	71	662	-	-	733
	<u>35,836</u>	<u>30,528</u>	<u>(983)</u>	<u>-</u>	<u>65,381</u>
Total restricted funds	<u>25,405</u>	<u>58,924</u>	<u>(37,277)</u>	<u>2,203</u>	<u>49,255</u>
Unrestricted funds					
General funds	1,332	2,280	(1,153)	-	2,459
Total funds	<u>26,737</u>	<u>61,204</u>	<u>(38,430)</u>	<u>2,203</u>	<u>51,714</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds (Continued)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

The 'transferred on conversion' fund has been set up to recognise the tangible assets gifted to the academies upon conversion and transfer into the Academy Trust which represents the school sites including the long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the Trust following conversion that have been funded by capital grants received by the Academy Trust. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to each Academy within the Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies within the Trust.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion of each Academy, and through which all the pension scheme movements are recognised. The Trustees will continue to monitor this situation closely.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds (Continued)

Total funds analysis by academy

	2018 £000	2017 £000
Fund balances at 31 August 2018 were allocated as follows:		
Hatfield Primary Academy	136	77
Hartley Brook Primary Academy	381	267
Gooseacre Primary Academy	589	509
The Hill Primary Academy	209	247
Highgate Primary Academy	316	304
Carrfield Primary Academy	320	326
Castle Academy	(19)	65
Greengate Lane Academy	286	253
Lower Meadow Primary Academy	(11)	1
Edenthorpe Hall Academy	(70)	(19)
Hillside Academy	(65)	42
Byron Wood Primary Academy	210	182
Cottenham Village College	(515)	94
Denaby Main Primary Academy	15	46
Hexthorpe Primary Academy	393	262
Kingfisher Primary Academy	154	158
Netherwood Academy	(321)	429
The Centre School	(64)	75
Atlas Academy	(22)	-
Intake Primary Academy	22	-
Waverley Primary Academy	47	-
Central services	(1,090)	(798)
Total before fixed assets fund and pension reserve	901	2,520
Restricted fixed asset fund	70,533	65,381
Pension reserve	(16,021)	(16,187)
Total funds	55,413	51,714

Central services have a deficit balance on the income and expenditure due to the service and expertise offered to academies from the central team. The central team offer CPD to academies, IT, HR, data analysis and finance support which is covered in the 6.5% charge. However, this percentage charge to individual academies doesn't cover all of this support or expertise to academies. As a Trust we feel that this staff expertise and support is necessary for the academies and there is no need to increase the percentage contribution at this stage.

The Central Team planned to increase staffing due to upscale capacity in advance of a number of Secondaries and 1 All Through School from 1st September 2018. The Board of Trustees agreed to upscale capacity prior to these transfers on the 1st September 2018.

The income of these 6 additional schools is not reflected in these accounts but will offset the additional capacity costs in 2018/2019.

Academies that are in deficit are monitored and plans are in place to return these to a surplus position.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£000	£000	£000	£000	£000	£000
Hatfield Primary Academy	1,241	299	57	387	1,984	2,243
Hartley Brook Primary Academy	2,081	470	118	554	3,223	3,167
Gooseacre Primary Academy	971	117	47	327	1,462	1,514
The Hill Primary Academy	1,547	208	67	579	2,401	2,524
Highgate Primary Academy	951	126	83	342	1,502	1,446
Carrfield Primary Academy	943	115	51	379	1,488	1,466
Castle Academy	610	75	16	214	915	889
Greengate Lane Academy	649	71	39	266	1,025	1,180
Lower Meadow Primary Academy	1,053	149	43	329	1,574	1,582
Edenthorpe Hall Academy	540	86	31	286	943	994
Hillside Academy	391	62	8	152	613	525
Byron Wood Primary Academy	1,540	359	54	376	2,329	2,252
Cottenham Village College	3,110	989	110	1,362	5,571	1,425
Denaby Main Primary Academy	646	125	27	270	1,068	973
Hexthorpe Primary Academy	1,368	195	54	536	2,153	2,197
Kingfisher Primary Academy	1,168	216	57	427	1,868	1,090
Netherwood Academy	4,021	656	88	2,250	7,015	2,154
The Centre School	1,055	56	23	394	1,528	339
Atlas Academy	793	108	36	282	1,219	-
Intake Primary Academy	860	140	17	309	1,326	-
Waverley Primary Academy	312	47	18	121	498	-
Central services	33	3,755	47	(157)	3,678	2,998
	<u>25,883</u>	<u>8,424</u>	<u>1,091</u>	<u>9,985</u>	<u>45,383</u>	<u>30,958</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	69,963	69,963
Current assets	3,302	-	570	3,872
Creditors falling due within one year	(2,401)	-	-	(2,401)
Defined benefit pension liability	-	(16,021)	-	(16,021)
Total net assets	901	(16,021)	70,533	55,413

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	64,658	64,658
Current assets	2,459	2,489	723	5,671
Creditors falling due within one year	-	(2,428)	-	(2,428)
Defined benefit pension liability	-	(16,187)	-	(16,187)
Total net assets	2,459	(16,126)	65,381	51,714

20 Capital commitments

	2018 £000	2017 £000
Expenditure contracted for but not provided in the financial statements	609	155

21 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	128	62
Amounts due between one and five years	157	79
	285	141

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £000	2017 £000
Net income for the reporting period (as per the Statement of Financial Activities)	371	22,774
Adjusted for:		
Net surplus on conversion to academy	(4,186)	(24,493)
Capital grants from DfE/ESFA and other capital income	(979)	(661)
Interest receivable	(9)	(5)
Defined benefit pension scheme cost less contributions payable	858	548
Defined benefit pension scheme finance cost	448	332
Depreciation of tangible fixed assets	1,733	982
Movements in working capital:		
Decrease/(increase) in debtors	405	(1,419)
(Decrease)/increase in creditors	(27)	847
Net cash used in operating activities	(1,386)	(1,095)

23 Members' liability

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

24 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £472,000 (2017 - £67,000) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

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.

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in 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 (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £2,689,000 (2017 - £1,204,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.8% - 18.1% for employers and 5.5% - 12.5% for employees.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pension Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Total contributions made	2018 £000	2017 £000
Employer's contributions	1,716	1,267
Employees' contributions	439	307
Total contributions	2,155	1,574

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	3.35	3.45
Rate of increase for pensions in payment	2.20	2.20
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	2.10	2.50

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	25.8	25.7
Retiring in 20 years		
- Males	25.2	25.1
- Females	28.1	28.0

The Academy Trust's share of the assets in the scheme

	2018 Fair value £000	2017 Fair value £000
Equities	10,678	9,273
Government bonds	2,294	1,881
Other bonds	854	603
Cash	706	329
Property	1,529	1,161
Other assets	1,274	666
Total fair value of assets	17,335	13,913

The actual return on scheme assets was £875,000 (2017: £472,000).

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

24 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2018 £000	2017 £000
Current service cost	2,567	1,796
Net interest cost	448	332
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	7	19
Total operating charge	3,022	2,147
Changes in the present value of defined benefit obligations		2018 £000
At 1 September 2017		30,100
Obligations acquired on conversion		2,323
Current service cost		2,567
Interest cost		802
Employee contributions		439
Actuarial gain		(2,807)
Benefits paid		(75)
Losses on curtailment		7
At 31 August 2018		33,356
Changes in the fair value of the Academy Trust's share of scheme assets		2018 £000
At 1 September 2017		13,913
Assets acquired on conversion		467
Interest income		354
Return on plan assets (excluding net interest on the net defined pension liability)		521
Employer contributions		1,716
Employee contributions		439
Benefits paid		(75)
At 31 August 2018		17,335

25 Related party transactions

During the year there were no related party transaction, falling under the definition in the Academies Accounts Direction and Charities SORP (FRS 102)

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

26 Post balance sheet events

After the year end, the following schools converted to academy trust status and joined Astrea Academy Trust:

Academy	Location	Date of conversion
Astrea Academy Woodfields (previously Balby Carr)	Doncaster	1 September 2018
Longsands Academy	Cambridge	1 September 2018
Ernulf Academy	Cambridge	1 September 2018
Astrea Academy Sheffield	Sheffield	1 September 2018
Astrea Academy Dearne	Barnsley	1 February 2019
St Ivo Academy	Cambridge	1 March 2019

The financial impact of these transfers have not yet been calculated.

27 Conversion to an academy

In the year ended 31 August 2018 the following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Astrea Academy Trust from the the respective Local Authorities for £nil consideration.

School	Local Authority	Date of Conversion
Intake Primary Academy	Doncaster	1 October 2017
Atlas Academy	Doncaster	1 November 2017

In the year ended 31 August 2018 the following academies transferred into the academy trust and all the operations and assets and liabilities were transferred to Astrea Academy Trust for £nil consideration.

School	Previous Trust	Date of Conversion
Waverley Primary Academy	Wakefield City Academies Trust	1 April 2018

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	2018 £000
Net assets transferred:	
Leasehold land and buildings	5,785
Cash	257
LGPS pension surplus/(deficit)	(1,856)
	<u>4,186</u>

ASTREA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£000	£000	£000	£000
Fixed assets funds	-	-	5,785	5,785
LA budget funds	257	-	-	257
LGPS pension funds	-	(1,856)	-	(1,856)
	<u>257</u>	<u>(1,856)</u>	<u>5,785</u>	<u>4,186</u>

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 16 August 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Astrea Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of Astrea Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Astrea Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Astrea Academy Trust's funding agreement with the Secretary of State for Education dated 30 March 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Astrea Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTREA ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Astrea Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 16 August 2017. Our work has been undertaken so that we might state to the Astrea Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Astrea Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Dated: 8 Mar 2019