

Report of the Governors and
Financial Statements for the Year Ended 31 August 2019
for
Ashperton Primary Academy Trust

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS



| | Page |
|---|----------|
| Reference and Administrative Details | 1 to 2 |
| Report of the Governors | 3 to 10 |
| Governance Statement | 11 to 13 |
| Statement on Regularity, Propriety and Compliance | 14 |
| Governors Responsibility Statement | 15 |
| Report of the Independent Auditors | 16 to 17 |
| Independent Accountant's Report on Regularity | 18 to 19 |
| Statement of Financial Activities | 20 |
| Balance Sheet | 21 |
| Cash Flow Statement | 22 |
| Notes to the Cash Flow Statement | 23 |
| Notes to the Financial Statements | 24 to 43 |
| Detailed Statement of Financial Activities | 44 to 45 |

Ashperton Primary Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS

A Freeman
Mrs J A Dodds
Mrs E James
C Bandfield (Headteacher and Accounting Officer)
J A Taylor (Chairman)

GOVERNORS

J A Taylor
C Bandfield (Headteacher and Accounting Officer)
A Freeman
Mrs E James
E Bee
Mrs R Nolan
Mrs J A Dodds (Chair)
Mrs C Bullock
Miss K Bishop
Miss C Bushnell
P Hagger
J Nicklin

SENIOR MANAGEMENT TEAM:

Mr C Bandfield (Headteacher)
Mrs C Bullock (Deputy Headteacher)
Mrs E Marriage
Mrs R Hassan

COMPANY NAME

Ashperton Primary Academy Trust

COMPANY SECRETARY

Wrigleys Solicitors LLP

REGISTERED OFFICE

Ledbury
Herefordshire
HR8 2SE

REGISTERED COMPANY NUMBER

07551088 (England and Wales)

SENIOR STATUTORY AUDITOR

K M Tong FCCA, ACA

AUDITORS

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Ashperton Primary Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2019

SOLICITORS

Wrigleys Solicitors LLP
19 Crookbridge Street
Leeds
West Yorkshire
LS2 3AG

BANKERS

Barclays Bank PLC
1/3 Broad Street
Hereford
HR4 9BH

Report of the Governors
for the Year Ended 31 August 2019

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2019. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy Trust's principal activities are, for the public benefit to:

- advance and promote education by, in particular but not limited to, the provision of facilities or property for any education institution;
- advance any other purposes which are exclusively charitable within the laws of England and Wales as may be determined by the Trustees.

In addition the aims of the Academy (as set down in Section 1(6) of the Academies Act 2010) are that:

- the school has a balanced and broadly based curriculum;
- the school provides education for pupils of different abilities;
- the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

Objectives, Strategies and Activities

To achieve our objects and aims the Academy is governed, led and managed in a way which facilitates self-critical review, ambitious but realistic strategic planning, prudent budgeting and effective development planning. It is also outward-looking since it involves analysis of aspects of a changing world and other political, social and economic factors which may affect the nature and relevance of our provision and the demand for the education we offer. Good communication is vital so that pupils, parents and staff feel engaged and clear about the Academy's values, purpose and direction.

The long term aims, objectives and strategies are reviewed annually during a development planning process. The Headteacher reports on progress in implementing the development plan to Governors on a termly basis. Each Autumn, the Leadership Team reviews, with Governors, the Academy's effectiveness using a number of agreed performance indicators, including statistical data relating to academic performance. The Academy also has a well-established programme of staff performance, appraisal and target-setting.

Medium to long term objectives include:

- Provide the best possible outcomes for children through working to achieve the highest standards in teaching and learning, pastoral care and the extra-curricular programme so that each child thrives at the Academy.
- Maintain and further develop our buildings and resources to provide facilities fit for the 21st Century.
- Recruit and retain highly effective staff. To provide continuous professional development for our staff so that they are able to respond effectively to the changing demands of their roles.
- Utilise the latest developments in information technology to improve outcomes in teaching and learning, communication and information management.
- Remain financially stable, with strong control on expenditure and obtaining best value in financial decision-making.
- Foster good relations with all our stakeholders.

OBJECTIVES AND ACTIVITIES

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy's aims and objectives and in planning future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

All the activities undertaken by the Academy Trust are for the education of its pupils and the good of the wider local community. As such the primary objective of the Academy Trust is to support those objectives and there is no financial return to any shareholders.

The Academy has a defined catchment area and is still a local community school providing education for the local population with pupils admitted in Reception and via in-year transfers through the Local Authority admissions department. These admissions arrangements are available to all regardless of whether they are in catchment or are currently living in the local area (i.e. moving into the area from another part of the country).

STRATEGIC REPORT

Achievement and performance

Charitable activities

Our class organisation is as follows;

Red - Reception - Mrs Marriage and Mrs Ellis
Purple - Year 1 - Miss Young, Miss Wood and Mrs Freeman
Orange - Year 2 - Mrs Bushnell and Mrs Spink
Green - Year 3 - Mrs Hassan, Mrs Edmunds and Mrs DaSilva
Blue - Year 4 - Miss Taylor and Mr Eaton
Yellow - Year 5 - Mrs Margetts and Mrs Baird
Turquoise - Year 6 - Mrs Bullock, Miss Bishop and Mrs Shelley

Sport

Our provision in sport continues to go from strength to strength with 2017/18 being our most successful to date in terms of excellence and inclusion;

- More than 120 pupils have taken part in inter-school competition to date.
- Every child has had a term of swimming lessons.
- Over 100 pupils attend one or more after school clubs.
- Inter house matches in football, netball, rounders and tag rugby.
- Weekly competitive House Matches

School Performance Data

I am so proud of our staff who work very hard for our children. They cannot be thanked enough for yet another excellent set of academic results throughout the school in 2019.

Early Years Foundation Stage - Red Class

A fabulous year in Red Class!! Well done Mrs Marriage, Mrs Ellis, all of our parents and helpers and of course our brilliant children!

% pupils achieving a Good level of Development

| National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
|---------------|--------------------|----------------|----------------|
| 72 | 76 | 79 | 72 |

Children are defined as having reached a good level of development at the end of the EYFS if they have achieved at least the expected level in:

- The early learning goals in the prime areas of learning (personal, social and emotional development; physical development; and communication and language) and
- The early learning goals in the specific areas of mathematics and literacy.

% pupils attaining at least the expected standard

| | National 2017 | Ashperton 2018 | Ashperton 2019 |
|---------|---------------|----------------|----------------|
| Reading | 77 | 86 | 84 |
| Writing | 73 | 82 | 76 |
| Numbers | 79 | 86 | 76 |

Phonics Screening Check (Year 1)

% pupils attaining at least the expected standard

| National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
|---------------|--------------------|----------------|----------------|
| 82 | 82 | 86 | 97 |

KS1 Results

As you can see, our results, (Attainment) are very positive. Reading, writing and maths combined is important because clearly, success in all three areas provides our children with good qualifications for the future.

% pupils attaining at least the expected standard

| | National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
|---------|---------------|--------------------|----------------|----------------|
| | | Provisional | | |
| Reading | 75 | 79 | 77 | 83 |

Report of the Governors
for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

| | | | | |
|----------------------------------|----------------------|---------------------------|-----------------------|-----------------------|
| Writing | 70 | 73 | 70 | 76 |
| Maths | 76 | 79 | 87 | 86 |
| Science | 82 | 86 | 90 | 90 |
| R,W&M | 65 | 70 | 67 | 76 |
| % pupils attaining greater depth | | | | |
| | National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
| | | Provisional | | |
| Reading | 25 | 5P | 33 | 28 |
| Writing | 15 | 15 | 23 | 21 |
| Maths | 22 | 20 | 23 | 28 |
| R,W&M | 11 | 11 | 13 | 21 |

KS2 Results

% pupils attaining at least the expected standard

| | | | | |
|----------------------------------|----------------------|---------------------------|-----------------------|-----------------------|
| | National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
| | Provisional | | | |
| Reading | 73 | 78 | 87 | 83 |
| Writing | 78 | 80 | 80 | 90 |
| Maths | 79 | 81 | 90 | 86 |
| GP&S | 78 | 80 | 83 | 93 |
| R,W&M | 65 | 69 | 77 | 76 |
| % pupils attaining greater depth | | | | |
| | National 2019 | Herefordshire 2019 | Ashperton 2018 | Ashperton 2019 |
| | Provisional | | | |
| Reading | 27 | 30 | 33 | 28 |
| Writing | 20 | 23 | 17 | 21 |
| Maths | 27 | 29 | 30 | 42 |
| GP&S | Not available | Not available | 33 | 55 |
| R,W&M | Not available | Not available | 7 | 7 |

| | | |
|-----------------------------|----------------------|-----------------------|
| Average scaled score | National 2019 | Ashperton 2019 |
| Reading | 104 | 105 |
| Maths | 105 | 107 |
| SPAG | 106 | 109 |

We monitor the progress and attendance of all pupils and all groups of pupils closely. These groups include our Pupil Premium pupils and pupils belonging to other ethnic groups. I am pleased to be able to report that these groups are performing to the same level as all pupils at Ashperton.

A huge thank you to our staff, children, parents and governors for working together to provide our children with these excellent outcomes.

Our number on roll continues to look healthy into the new financial year.

The Governing Body uses a variety of documents to help assess performance and achievement of targets across a range of areas. These documents include: Inspection Dashboard, Fischer Family Trust, Perspective Lite, School Pupil Tracker On-Line, School Improvement Plan, Scholarpack attendance data, Responsible Officer Reports, parent questionnaire results, Governor visit reports, School Council interviews, Headteacher's report to Governors, Health and Safety Reports, Safeguarding Reports and Equality Reports. These form the basis of discussion and analysis at Governor meetings throughout the year.

Governors are proactive in scrutinising the above and require the Head to provide evidence to support the data. This process enables Governors to measure the progress of the School in relation to the aims and objectives that have been set by OFSTED and through Heads performance management.

STRATEGIC REPORT

Achievement and performance

Fundraising activities

There were no significant fundraising activities in the year.

Key financial performance indicators

Key financial performance indicators are considered throughout this report.

Financial review

Investment policy

The Governors agree all investments made by the Academy. Investments are currently restricted to deposit accounts in UK banks, the Money Market, and to a number of Corporate Bonds. Investments are made with regard to Charity Commission guidance in relation to investments.

Reserves policy

The Academy's "free" reserves are its funds after excluding restricted funds. "Reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the governors discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated

Whilst demands on the Academy's free reserves will therefore vary over the coming years, the Academy's long-term policy is that the appropriate level of free reserves should be equivalent to one month's expenditure, currently estimated to be between £55,000 and £90,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Going concern

After making appropriate enquiries, the Governing Body 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.

STRATEGIC REPORT

Financial review

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds (non-fixed assets) in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, "Accounting and 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 assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £677,834 (2018: £642,418) was covered by recurrent grant funding from the DfES. The net resources expended before transfers and revaluations for the year was £14,934 surplus (2018: £27,728 deficit).

The Academy held fund balances at 31 August 2019 totalling £2,164,448 (2018: £2,271,514), comprising £2,472,792 (2018: £2,445,150) of restricted funds, a pension reserve deficit of £369,000 (2018: £225,000) and £60,656 (2018: £51,364) of unrestricted general funds.

It is the policy of the Academy to agree terms of payment with their suppliers when the order for goods and services is placed and to adhere to these arrangements when making payment.

At 31 August 2019 the net book value of fixed assets was £2,207,970 (2018: £2,254,758) and movements in tangible fixed assets are shown in the fixed asset note to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme and under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided to support staff, to the restricted fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £369,000 (2018: £225,000). The employer contributions are currently being assessed and it is expected that they will increase to bring a reduction in this pension deficit in the future, although this may not be achieved until stock market investment values start to recover.

Principal risks and uncertainties

Ashperton Primary Academy Trust recognises the responsibility it has under the Companies Act 2006 5417 (3b) to disclose the principal risks and uncertainties that it faces. The Academy acknowledges that its ability to provide for students the continuing advancement of education is reliant upon the agreed public funding levels, distributed to the school in the form of the GAG and LACSEG and it pays due regard to the known future reduction in that funding which is proposed (MFG -1.5%). The Academy acknowledges that its planned level of expenditure must not exceed the Academy's known income now and the future forecast income. In doing so, it pays due regard to the high proportion of costs based on wages and any forces influencing rising wage costs. It prepares detailed budget plans for the current year and there is robust internal financial monitoring. Time is spent looking at the likely out-turn for the current financial year and any significant factors contributing to a surplus (or future deficit). Ashperton Primary Academy Trust does have a defined pension deficit of £369,000 (2018: £225,000).

The principal risks and uncertainties are around adequate insurance, future pupil numbers and future government funding which are key areas in the Academy's risk register and ongoing risk management process.

Financial and risk management objectives and policies

The Academy has full and robust financial and risk policies. They detail all the major risks to the Academy across numerous areas and how the risk is to be contained. Risk is an agenda item on all full Governor meetings and Resources Committee meetings.

Future plans

The Governors, Headteacher and SLT are working to ensure that the Academy maintains its outstanding status under the new Ofsted framework and most importantly, to provide outstanding outcomes for our pupils.

The Governors and SLT will continue to work to maintain the current upward trend in pupil attainment, pupil achievement, attendance and numbers on roll.

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 Governors act as the trustees for the charitable activities of Ashperton Primary Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ashperton Primary Academy.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1 and 2.

Members' liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

The members may appoint Governors as per the Memorandum and Articles. The members may appoint Staff Governors provided that the total number of Staff Governors (including the Headteacher) does not exceed one-third of the total number of Governors. The LA at the request of the Members may appoint the LA governor. Parent Governors shall be elected by parents of registered pupils at the Academy by secret ballot and a Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The Governors may appoint up to 3 co-opted Governors. Additional Governors may, if deemed necessary, be appointed by the Secretary of State.

Organisational structure

On a day-to-day basis the operational running of the Academy has been delegated to the headteacher. The headteacher is able to delegate the day to day running of the school to the deputy headteacher. The headteacher acts as the Accounting Officer. The headteacher has 3 additional members of staff on the Senior Leadership Team. In addition, there are a further 5 members of teaching staff, 3 finance/administrative staff and 11 support staff in TA roles.

Policies and Procedures adopted for the Induction and training of Governors

All Governors are subject to an induction period with training and information given. Ongoing training is given to Governors and is provided by the Local Authority or through the School's membership of the Activate group.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression and is reviewed by the personnel and pay committee.

The headteacher reports to governors on the whole school appraisal cycle and on decisions relating to performance-related pay progression.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected organisations, including related party relationships

Ashperton Foundation own the "oldest" part of the building (front section of the School).

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. The following have been identified as having a Related Party Relationship as they share a relationship with the Trustees:-

Mr E Bee (a trustee of the trust) has invoiced the trust for Team Bees a business that Mr E Bee is involved with provided an after school club, Breakfast Club and PPA cover. He has been providing this service since before 2012.

Ms T Thomas partner of Mr C Bandfield (a trustee of the trust) works as a senior learning support assistant of the trust

Risk management

The Governors are responsible for the management of risks faced by the Academy. The Governors are assisted in this task by the Resources Committee, which comprises members of the Governing Body and the Senior Leadership Team.

Health and Safety (incorporating Risk Management) features as a termly standing item on the agenda for full Governors and Resources meetings. Continuity between these bodies is maintained through the Chair of the Resources Committee.

The key controls used by the Academy include:

- Formal agendas for all Committee and Governors' meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Setting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Academy, the Governing Body are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

AUDITORS

In so far as the Governors are aware:

- there is not relevant audit information of which the charitable company's auditor is unaware; and the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant
- audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on 5th December 2019 and signed on its behalf by:



Mrs J A Dodds - Chair

Governance Statement
for the Year Ended 31 August 2019

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Ashperton Primary 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Ashperton Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Governors Responsibility Statement. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

| Governor | | Meetings attended | Out of a possible |
|--------------------|------------------------------|-------------------|-------------------|
| Chris Bandfield | Staff Governor (Headteacher) | 4 | 4 |
| John Taylor | Governor | 3 | 4 |
| Eleanor James | Governor | 4 | 4 |
| Tony Freeman | Governor | 2 | 4 |
| Elliot Bee | Governor | 4 | 4 |
| Ruth Nolan | Parent Governor | 3 | 4 |
| Jaqueline Dodds | Governor | 4 | 4 |
| Jon Nicklin | Governor | 4 | 4 |
| Caroline Bullock | Staff Governor | 4 | 4 |
| Catherine Bushnell | Staff Governor | 4 | 4 |
| Kate Bishop | Staff Governor | 4 | 4 |
| Phil Hagger | Parent Governor | 3 | 4 |

Governance Review

The Academy reviews the skills set of the Governors to ensure a broad range of knowledge/expertise is represented.

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to, amongst others, scrutinise and monitor the budget and all financial risks to the Academy; oversee performance management and staff pay; monitor capital expenditure and the current New Build project; monitor all control systems and allocate resources. Any further details are to be found on the Terms of Reference for this committee.

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

| Governor | | Meetings attended | Out of a Possible |
|-------------|----------------------------------|-------------------|-------------------|
| C Bandfield | Headteacher & Accounting Officer | 3 | 3 |
| J Dodds | Chair | 2 | 3 |
| J Taylor | | 3 | 3 |
| C Bullock | | 3 | 3 |
| T Freeman | | 1 | 3 |
| E Bee | | 2 | 3 |

Review of Value for Money

The accounting officer, Christopher Bandfield, accepts that he is responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. He is aware of the guide to academy value for money statements published by the Education & Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

He has set out below how he has ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Review of Value for Money

Principals

- Management and governors are given regular management accounts to track, and hold to account, the finances of the Academy. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Full Governing Body as is the risk register.
- The Academy use the principals of best value: challenge, compare consult, compete and apply them when making a decision about the allocation, targeting and use of resources to promote the aims and values of the school, improve standards and quality of provision and best support the various educational needs of all pupils.
- External Auditors review the schools financial procedures and audit the accounts, on an annual basis, reporting back to the Governors Resources Committee.
- Strong internal controls are in place to ensure that all orders and payments are signed by an authorized signature.
- A prudent budget is maintained, to improve the learning and teaching environment and to improve outcomes for all our pupils. Resources are shared where appropriate.
- When significant expenditure is due to take place, for example on a new IT system, different options are appraised and competitive quotations (usually 3) sought to ensure that the best value for money is obtained and that the investment will generate the best possible results for the Academy.
- Configuration and deployment of staff is reviewed annually at the Governing Body Resources Committee meeting, to ensure best value in terms of quality of teaching, quality of learning and staff-pupil ratio.

Specific Examples

- We sought and obtained additional excellent value for money for all our service level agreements, whilst ensuring best quality and effectiveness continued.
- We obtain equipment, materials and services to provide pupils and staff with resources which support quality of teaching and learning.
- We have an ongoing cycle of monitoring the quality of our provision to provide pupils with the best possible outcomes.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ashperton Primary Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors 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 governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 Governing Body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Risk and Control Framework

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The governors have not appointed a Internal reviewer specifically, as this function is covered by the regular Finance and Board meetings where financial matters and consideration of the Academy Trust's financial systems are considered.

Review of Effectiveness

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

- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Governors within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on5th December 2019..... and signed on its behalf by:

.....JAD.....
Mrs J A Dodds - Chair

.....C Bandfield.....
C Bandfield - Headteacher and Accounting Officer

Ashperton Primary Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019

As accounting officer of Ashperton Primary Academy Trust I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



C Bandfield - Accounting Officer

Date: 5th December 2019

Governors Responsibility Statement
for the Year Ended 31 August 2019

The governors (who act as trustees of Ashperton Primary Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies 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 governors to prepare financial statements for each financial year. Under company law the governors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

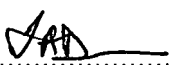
The governors are responsible for ensuring that in its conduct and operation the academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been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

In so far as the governors are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 on5th December 2019..... and signed on its behalf by:


.....

Mrs J A Dodds - Chair

Opinion

We have audited the financial statements of Ashperton Primary Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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 Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Report of the Independent Auditors to the Members of
Ashperton Primary Academy Trust

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

As explained more fully in the Governors Responsibility Statement, the governors (who 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 governors 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 governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

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



K M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 9/12/19

Note:

The maintenance and integrity of the Ashperton Primary Academy Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Ashperton Primary Academy Trust and the Education and Skills Funding Agency

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

This report is made solely to Ashperton Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ashperton Primary 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 Ashperton Primary Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ashperton Primary Academy Trust's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

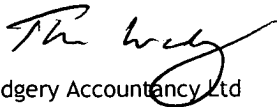
- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

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

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in the related party note in the attached accounts.

Conclusion

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



Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 9/12/19

Ashperton Primary Academy Trust

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

| | | | | | 31.8.19 | 31.8.18 |
|---|-------|------------------------|--------------------------------------|------------------------------|------------------|------------------|
| | Notes | Unrestricted Fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and capital grants | 2 | 11,561 | 21,839 | 38,469 | 71,869 | 55,303 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 3 | - | - | 847,104 | 847,104 | 829,369 |
| Other trading activities | 4 | 5,265 | - | 32,587 | 37,852 | 3,033 |
| Investment income | 5 | 118 | - | - | 118 | 70 |
| Total | | 16,944 | 21,839 | 918,160 | 956,943 | 887,775 |
| EXPENDITURE ON | | | | | | |
| Charitable activities | | | | | | |
| Academy's educational operations | | 7,653 | 84,380 | 849,976 | 942,009 | 915,503 |
| NET INCOME/(EXPENDITURE) | | 9,291 | (62,541) | 68,184 | 14,934 | (27,728) |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/losses on defined benefit schemes | | - | - | (122,000) | (122,000) | 52,000 |
| Net movement in funds | | 9,291 | (62,541) | (53,816) | (107,066) | 24,272 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | 51,364 | 2,253,728 | (33,578) | 2,271,514 | 2,247,242 |
| TOTAL FUNDS CARRIED FORWARD | | 60,655 | 2,191,187 | (87,394) | 2,164,448 | 2,271,514 |

The notes form part of these financial statements


Balance Sheet

At 31 August 2019

| | Notes | 31.8.19 £ | 31.8.18 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 2,207,970 | 2,254,758 |
| CURRENT ASSETS | | | |
| Debtors | 13 | 28,889 | 39,710 |
| Cash at bank and in hand | | 379,609 | 258,821 |
| | | <u>408,498</u> | <u>298,531</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | (83,020) | (56,775) |
| NET CURRENT ASSETS | | <u>325,478</u> | <u>241,756</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,533,448 | 2,496,514 |
| PENSION LIABILITY | 19 | (369,000) | (225,000) |
| NET ASSETS | | <u>2,164,448</u> | <u>2,271,514</u> |
| FUNDS | 18 | | |
| Unrestricted funds: | | | |
| Unrestricted Fund | | 60,656 | 51,364 |
| Restricted funds: | | | |
| General Annual Grant | | 229,946 | 149,265 |
| Restricted Pension Fund | | (369,000) | (225,000) |
| DfE/ESFA Capital Grants | | 973,409 | 997,358 |
| Other Restricted | | 47,829 | 42,157 |
| Other DfE/ESFA grants | | 3,830 | - |
| Predecessor School Surplus | | 168,692 | 172,622 |
| Donations - Capital | | 802,978 | 810,909 |
| Capital expenditure from GAG | | 246,108 | 272,839 |
| | | <u>2,103,792</u> | <u>2,220,150</u> |
| TOTAL FUNDS | | <u>2,164,448</u> | <u>2,271,514</u> |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors on 5th December 2019 and were signed on its behalf by:


Mrs J A Dodds -Chair

The notes form part of these financial statements

Ashperton Primary Academy Trust

Cash Flow Statement

for the Year Ended 31 August 2019

| | Notes | 31.8.19 £ | 31.8.18 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>127,754</u> | <u>64,134</u> |
| Net cash provided by (used in) operating activities | | <u>127,754</u> | <u>64,134</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (22,359) | (167,466) |
| Capital grants from DfE/ESFA | | 15,275 | 6,104 |
| Interest received | | <u>118</u> | <u>70</u> |
| Net cash provided by (used in) investing activities | | <u>(6,966)</u> | <u>(161,292)</u> |
| Change in cash and cash equivalents in the reporting period | | <u>120,788</u> | <u>(97,158)</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>258,821</u> | <u>355,979</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>379,609</u></u> | <u><u>258,821</u></u> |

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 31.8.19 | 31.8.18 |
|--|----------------|---------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 14,934 | (27,728) |
| Adjustments for: | | |
| Depreciation | 69,148 | 71,160 |
| Capital grants from DfE/ESFA | (15,275) | (6,104) |
| Interest received | (118) | (70) |
| Decrease in debtors | 10,821 | 2,513 |
| Increase in creditors | 26,244 | 2,363 |
| Difference between pension charge and cash contributions | 22,000 | 22,000 |
| Net cash provided by (used in) operating activities | <u>127,754</u> | <u>64,134</u> |

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Ashperton Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors 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.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Investments

The Governors agree all investments made by the Academy. Investments are currently restricted to deposit accounts in UK banks, the Money Market, and to a number of Corporate Bonds. Investments are made with regard to Charity Commission guidance in relation to investments.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|-------------------------------|
| Long leasehold buildings | - 2% on cost |
| Improvements to property | - 10% on cost and 2% on cost |
| Fixtures and fittings | - 20% on cost and 10% on cost |
| Computer equipment | - 33% on cost and 20% on cost |

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

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

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

Provisions

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

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

Leased Assets

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

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to accounts. Prepayments are not financial instruments.

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

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

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.

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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teacher's Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

The annual valuation at 31 August 2019 has taken into account the effects of the McCloud judgement.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

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

2. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds £ | Restricted funds £ | 31.8.19 Total funds £ | 31.8.18 Total funds £ |
|-----------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Grants | - | 15,275 | 15,275 | 6,104 |
| School funds | 11,122 | 33,200 | 44,322 | 38,629 |
| Other donations | 439 | 11,833 | 12,272 | 10,570 |
| | <u>11,561</u> | <u>60,308</u> | <u>71,869</u> | <u>55,303</u> |

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

| | 31.8.19 £ | 31.8.18 £ |
|---------------|---------------|--------------|
| Capital Grant | <u>15,275</u> | <u>6,104</u> |

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.19 Total funds £ | 31.8.18 Total funds £ |
|-------------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| DfE/ESFA revenue grant | | | | |
| General Annual Grant(GAG) | - | 758,494 | 758,494 | 728,465 |
| Other DfE/ESFA Grants | - | 76,610 | 76,610 | 76,379 |
| | <u>-</u> | <u>835,104</u> | <u>835,104</u> | <u>804,844</u> |
| Local Authority grant | | | | |
| Local Authority grants | - | 12,000 | 12,000 | 24,525 |
| | <u>-</u> | <u>847,104</u> | <u>847,104</u> | <u>829,369</u> |

All of the figures included in the comparatives related to restricted funds.

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 31.8.19 Total funds £ | 31.8.18 Total funds £ |
|-----------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Catering income | - | 557 | 557 | - |
| Other income | 5,265 | 32,030 | 37,295 | 3,033 |
| | <u>5,265</u> | <u>32,587</u> | <u>37,852</u> | <u>3,033</u> |

£2,488 included in the comparatives related to restricted funds and £545 related to unrestricted funds.

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

5. INVESTMENT INCOME

| | Unrestricted funds £ | Restricted funds £ | 31.8.19 Total funds £ | 31.8.18 Total funds £ |
|---------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Short term deposits | 118 | - | 118 | 70 |
| | <u>118</u> | <u>-</u> | <u>118</u> | <u>70</u> |

All of the figures included in the comparatives related to unrestricted funds.

6. EXPENDITURE

| | Staff costs £ | Non-pay expenditure Premises £ | Other costs £ | 31.8.19 Total £ | 31.8.18 Total £ |
|----------------------------------|------------------|--------------------------------------|------------------|-----------------------|-----------------------|
| Charitable activities | | | | | |
| Academies educational operations | | | | | |
| Direct costs | 579,899 | 9,550 | 139,405 | 728,854 | 737,749 |
| Allocated support costs | 35,593 | 83,448 | 94,114 | 213,155 | 177,754 |
| | <u>615,492</u> | <u>92,998</u> | <u>233,519</u> | <u>942,009</u> | <u>915,503</u> |

Net income/(expenditure) is stated after charging/(crediting):

| | 31.8.19 £ | 31.8.18 £ |
|-----------------------------|--------------|--------------|
| Auditors' remuneration | 7,490 | 7,135 |
| Other non-audit services | 1,136 | 1,511 |
| Depreciation - owned assets | 69,147 | 71,159 |
| Operating leases | <u>1,530</u> | <u>1,517</u> |

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.19 Total £ | 31.8.18 Total £ |
|---------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Direct costs | 2,850 | 726,004 | 728,854 | 737,749 |
| Support costs | 4,803 | 208,352 | 213,155 | 177,754 |
| | <u>7,653</u> | <u>934,356</u> | <u>942,009</u> | <u>915,503</u> |

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

| | 31.8.19 Total £ | 31.8.18 Total £ |
|----------------------------------|-----------------------|-----------------------|
| Analysis of support costs | | |
| Support staff costs | 35,593 | 30,308 |
| Depreciation | 12,083 | 17,486 |
| Administrative supplies | 14,489 | 10,719 |
| Premises costs | 83,448 | 58,290 |
| Other support costs | 58,916 | 52,305 |
| Governance costs | 8,626 | 8,646 |
| Total support costs | 213,155 | 177,754 |

All of the figures included in the comparatives related to restricted funds.

8. GOVERNORS' REMUNERATION AND BENEFITS

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The Value of governors' remuneration was as follows:

| | | | 2019 | 2018 |
|-----------------|---------------------------------|---------------|-------------------|-------------------|
| C Bandfield | Headteacher | Remuneration | £65,000 - £70,000 | £70,000 - £75,000 |
| | | Er Pension | | |
| | | Contributions | £10,000 - £15,000 | £10,000 - £15,000 |
| Mrs K Morley | Staff Governor (until 15.04.18) | Remuneration | - | £45,000 - £50,000 |
| | | Er Pension | - | |
| | | Contributions | - | £5,000 - £10,000 |
| Mrs E Marriage | Staff Governor (until 13.03.18) | Remuneration | - | £45,000 - £50,000 |
| | | Er Pension | - | |
| | | Contributions | - | £5,000 - £10,000 |
| Mrs J Cresswell | Staff Governor (until 15.12.17) | Remuneration | - | £15,000 - £20,000 |
| | | Er Pension | - | |
| | | Contributions | - | £0 - £5,000 |
| C Bushnell | Staff Governor (from 05.07.18) | Remuneration | £25,000 - £30,000 | £20,000 - £25,000 |
| | | Er Pension | | |
| | | Contributions | £0 - £5,000 | £0 - £5,000 |
| K Bishop | Staff Governor (from 05.07.18) | Remuneration | £15,000 - £20,000 | £15,000 - £20,000 |
| | | Er Pension | | |
| | | Contributions | £0 - £5,000 | £0 - £5,000 |
| C Bullock | Staff Governor (from 16.04.18) | Remuneration | £40,000 - £45,000 | £45,000 - £50,000 |
| | | Er Pension | | |
| | | Contributions | £5,000 - £10,000 | £5,000 - £10,000 |

The salaries for staff new and departing staff governors in the year are presented as annual amounts.

Governors' expenses

During the period ended 31 August 2019, travel and subsistence expenses totalling £336 (2018: £1,092) were reimbursed to the governors.

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

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

9. STAFF COSTS

| | 31.8.19 | 31.8.18 |
|--|----------------|----------------|
| | £ | £ |
| Wages and salaries | 433,311 | 438,131 |
| Social security costs | 37,075 | 39,173 |
| Operating costs of defined benefit pension schemes | 74,709 | 72,314 |
| | <hr/> | <hr/> |
| Supply teacher costs | 545,095 | 549,618 |
| | 70,397 | 50,155 |
| | <hr/> | <hr/> |
| | <u>615,492</u> | <u>599,773</u> |

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

| | 31.8.19 | 31.8.18 |
|----------------------------|-----------|-----------|
| Teachers | 6 | 7 |
| Administration and support | 8 | 7 |
| Management | 4 | 4 |
| | <hr/> | <hr/> |
| | <u>18</u> | <u>18</u> |

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

| | 31.8.19 | 31.8.18 |
|-------------------|---------|---------|
| £60,001 - £70,000 | 1 | 1 |
| | <hr/> | <hr/> |

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £238,422 (2018: £242,323).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 is included in the total insurance premium.

The cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
|--|------------------------|-----------------------------------|------------------------------|------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and capital grants | - | 6,105 | 49,198 | 55,303 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | - | - | 829,369 | 829,369 |
| Other trading activities | 545 | - | 2,488 | 3,033 |
| Investment income | 70 | - | - | 70 |

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted Fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
|---|---------------------------|---|---------------------------------|---------------------|
| Total | 615 | 6,105 | 881,055 | 887,775 |
| EXPENDITURE ON | | | | |
| Charitable activities | | | | |
| Academy's educational operations | - | 77,264 | 838,239 | 915,503 |
| NET INCOME/(EXPENDITURE) | 615 | (71,159) | 42,816 | (27,728) |
| Transfers between funds | - | 118,515 | (118,515) | - |
| Other recognised gains/(losses) | | | | |
| Actuarial gains/losses on defined benefit schemes | - | - | 52,000 | 52,000 |
| Net movement in funds | 615 | 47,356 | (23,699) | 24,272 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 50,749 | 2,206,372 | (9,879) | 2,247,242 |
| TOTAL FUNDS CARRIED FORWARD | 51,364 | 2,253,728 | (33,578) | 2,271,514 |

12. TANGIBLE FIXED ASSETS

| | Long leasehold buildings £ | Improvements to property £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|--------------------------|----------------------------------|----------------------------------|-------------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 September 2018 | 775,079 | 1,708,037 | 27,585 | 117,217 | 2,627,918 |
| Additions | - | 10,684 | 7,459 | 4,216 | 22,359 |
| Disposals | - | - | - | (1,100) | (1,100) |
| At 31 August 2019 | 775,079 | 1,718,721 | 35,044 | 120,333 | 2,649,177 |
| DEPRECIATION | | | | | |
| At 1 September 2018 | 70,829 | 175,397 | 20,520 | 106,414 | 373,160 |
| Charge for year | 9,550 | 47,514 | 3,286 | 8,797 | 69,147 |
| Eliminated on disposal | - | - | - | (1,100) | (1,100) |
| At 31 August 2019 | 80,379 | 222,911 | 23,806 | 114,111 | 441,207 |
| NET BOOK VALUE | | | | | |
| At 31 August 2019 | 694,700 | 1,495,810 | 11,238 | 6,222 | 2,207,970 |
| At 31 August 2018 | 704,250 | 1,532,640 | 7,065 | 10,803 | 2,254,758 |

The land and buildings are included at a valuation prepared by Education & Skills Funding Agency in 2012.
Included within the Long leasehold value of £775,079 is an amount of £297,600 relating to land.

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

12. TANGIBLE FIXED ASSETS - continued

Leasehold land and buildings are subject to a 125 year lease with the local authority and The Trustees of the Ashperton Foundation.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.8.19 | 31.8.18 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 700 | - |
| Other debtors | 3,729 | - |
| VAT | - | 22,110 |
| Prepayments and accrued income | 24,460 | 17,600 |
| | <u>28,889</u> | <u>39,710</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.8.19 | 31.8.18 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 9,709 | 13,754 |
| Social security and other taxes | 23,041 | 18,617 |
| VAT | 33,449 | - |
| Accrued expenses | 506 | 6,687 |
| Deferred government grants | 16,315 | 17,717 |
| | <u>83,020</u> | <u>56,775</u> |
| Deferred income | | 31.8.19 |
| | | £ |
| Deferred income brought forward | | 17,717 |
| Resources deferred in the years | | 16,315 |
| Amounts released from previous years | | (17,717) |
| | | <u>16,315</u> |

At the balance sheet date the academy trust was holding funds received in advance in relation to Universal Infant Free School Meal income relating to the 19/20 financial year totalling £16,315 (2018: £17,717).

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 31.8.19 | 31.8.18 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Within one year | 1,530 | 1,517 |
| Between one and five years | 2,518 | 4,001 |
| | <u>4,048</u> | <u>5,518</u> |

During the year, the trust also began occupying a field for educational purposes. The field is intended to be used for the next three years at an annual cost of £700. However, no formal contract exists, therefore no lease disclosure is required.

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

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | | | | 31.8.19 |
|---------------------|---------------------------|---|---------------------------------|---------------------|
| | Unrestricted Fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
| Fixed assets | - | 2,207,970 | - | 2,207,970 |
| Current assets | 60,656 | (16,785) | 364,627 | 408,498 |
| Current liabilities | - | 2 | (83,022) | (83,020) |
| Pension liability | - | - | (369,000) | (369,000) |
| | <u>60,656</u> | <u>2,191,187</u> | <u>(87,395)</u> | <u>2,164,448</u> |

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

| | | | | 31.8.18 |
|---------------------|---------------------------|---|---------------------------------|---------------------|
| | Unrestricted Fund £ | Restricted Fixed Asset Funds £ | Restricted General Fund £ | Total funds £ |
| Fixed assets | - | 2,254,758 | - | 2,254,758 |
| Current assets | 51,364 | (1,032) | 248,199 | 298,531 |
| Current liabilities | - | 2 | (56,777) | (56,775) |
| Pension liability | - | - | (225,000) | (225,000) |
| | <u>51,364</u> | <u>2,253,728</u> | <u>(33,578)</u> | <u>2,271,514</u> |

18. MOVEMENT IN FUNDS

| | At 1.9.18 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.19 £ |
|------------------------------|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted funds | | | | |
| Unrestricted Fund | 51,364 | 9,292 | - | 60,656 |
| Restricted funds | | | | |
| General Annual Grant | 149,285 | 80,661 | - | 229,946 |
| Restricted Pension Fund | (225,000) | (144,000) | - | (369,000) |
| DfE/ESFA Capital Grants | 997,358 | (23,949) | - | 973,409 |
| Other Restricted | 42,137 | 5,692 | - | 47,829 |
| Other DfE/ESFA grants | - | 3,830 | - | 3,830 |
| Predecessor School Surplus | 172,622 | (3,930) | - | 168,692 |
| Donations - Capital | 810,909 | (7,931) | - | 802,978 |
| Capital expenditure from GAG | 272,839 | (26,731) | - | 246,108 |
| | <u>2,220,150</u> | <u>(116,358)</u> | <u>-</u> | <u>2,103,792</u> |
| TOTAL FUNDS | <u>2,271,514</u> | <u>(107,066)</u> | <u>-</u> | <u>2,164,448</u> |

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

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| Unrestricted Fund | 16,944 | (7,652) | - | 9,292 |
| Restricted funds | | | | |
| General Annual Grant | 758,495 | (677,834) | - | 80,661 |
| DfE/ESFA Capital Grants | 15,276 | (39,225) | - | (23,949) |
| Other Restricted | 83,056 | (77,364) | - | 5,692 |
| Other DfE/ESFA grants | 76,609 | (72,779) | - | 3,830 |
| Predecessor School Surplus | - | (3,930) | - | (3,930) |
| Donations - Capital | 6,562 | (14,493) | - | (7,931) |
| Capital expenditure from GAG | 1 | (26,732) | - | (26,731) |
| Restricted Pension Fund | - | (22,000) | (122,000) | (144,000) |
| | <u>939,999</u> | <u>(934,357)</u> | <u>(122,000)</u> | <u>(116,358)</u> |
| TOTAL FUNDS | <u>956,943</u> | <u>(942,009)</u> | <u>(122,000)</u> | <u>(107,066)</u> |

Comparatives for movement in funds

| | At 1.9.17 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.18 £ |
|------------------------------|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted Funds | | | | |
| Unrestricted Fund | 50,749 | 615 | - | 51,364 |
| Restricted Funds | | | | |
| General Annual Grant | 137,347 | 86,044 | (74,126) | 149,265 |
| Restricted Pension Fund | (255,000) | 30,000 | - | (225,000) |
| DfE/ESFA Capital Grants | 1,077,442 | (26,257) | (53,827) | 997,358 |
| Other Restricted | 105,769 | (19,223) | (44,389) | 42,157 |
| Other DfE/ESFA grants | 2,005 | (2,005) | - | - |
| Predecessor School Surplus | 186,495 | (3,929) | (9,944) | 172,622 |
| Donations - Capital | 821,700 | (13,680) | 2,889 | 810,909 |
| Capital expenditure from GAG | 120,735 | (27,293) | 179,397 | 272,839 |
| | <u>2,196,493</u> | <u>23,657</u> | <u>-</u> | <u>2,220,150</u> |
| TOTAL FUNDS | <u>2,247,242</u> | <u>24,272</u> | <u>-</u> | <u>2,271,514</u> |

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

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| Unrestricted Fund | 615 | - | - | 615 |
| Restricted funds | | | | |
| General Annual Grant | 728,462 | (642,418) | - | 86,044 |
| DfE/ESFA Capital Grants | 6,104 | (32,361) | - | (26,257) |
| Other Restricted | 76,214 | (95,437) | - | (19,223) |
| Other DfE/ESFA grants | 76,379 | (78,384) | - | (2,005) |
| Predecessor School Surplus | 1 | (3,930) | - | (3,929) |
| Restricted Pension Fund | - | (22,000) | 52,000 | 30,000 |
| Donations - Capital | - | (13,680) | - | (13,680) |
| Capital expenditure from GAG | - | (27,293) | - | (27,293) |
| | <u>887,160</u> | <u>(915,503)</u> | <u>52,000</u> | <u>23,657</u> |
| TOTAL FUNDS | <u><u>887,775</u></u> | <u><u>(915,503)</u></u> | <u><u>52,000</u></u> | <u><u>24,272</u></u> |

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds

During the year a transfer between funds was made in respect of capital assets purchased which have been funded by the General Annual Grant (GAG) and Other Restricted funds which were donated. A historic adjustment was also made to align restricted fixed asset funds with the value of assets held.

19. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £9,068 were payable to the schemes at 31 August 2019 (2018: £7,933) and are included within creditors.

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £51,681 (2018: £50,655).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £28,849 (2018: £28,695, of which employer's contributions totalled £22,564 (2018: £22,393) and employees' contributions totalled £6,285 (2018: £6,302). The agreed contribution rates for future years are 14.7% per cent for employers and between 5.5% and 12.5% per cent for employees.

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

The annual valuation at 31 August 2019 has taken into account the effects of the McCloud judgement.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 14.0% of payroll plus phased lump sum deficit contributions starting at £6,500 for the year to 2018, increasing by approximately 4% per annum. The rate payable from 1 April 2020 will be further revised following the next valuation of the Pension Fund which took place on 31 March 2019.

The current estimated recovery period is 23 years.

The amounts recognised in the balance sheet are as follows:

| | Defined benefit pension plans | |
|-------------------------------------|-------------------------------|-------------------------|
| | 31.8.19 | 31.8.18 |
| | £ | £ |
| Present value of funded obligations | (707,000) | (521,000) |
| Fair value of plan assets | 338,000 | 296,000 |
| | <u>(369,000)</u> | <u>(225,000)</u> |
| Deficit | <u>(369,000)</u> | <u>(225,000)</u> |
| Liability | <u><u>(369,000)</u></u> | <u><u>(225,000)</u></u> |

The amounts recognised in the statement of financial activities are as follows:

| | Defined benefit pension plans | |
|---|-------------------------------|----------------------|
| | 31.8.19 | 31.8.18 |
| | £ | £ |
| Current service cost | 38,000 | 38,000 |
| Net interest from net defined benefit asset/liability | 7,000 | 6,000 |
| | <u>45,000</u> | <u>44,000</u> |
| Actual return on plan assets | <u><u>13,000</u></u> | <u><u>18,000</u></u> |

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|----------------|
| | 31.8.19 | 31.8.18 |
| | £ | £ |
| Defined benefit obligation | 521,000 | 505,000 |
| Current service cost | 38,000 | 38,000 |
| Contributions by scheme participants | 6,000 | 6,000 |
| Interest cost | 15,000 | 13,000 |
| Actuarial losses/(gains) | 127,000 | (41,000) |
| | <u>707,000</u> | <u>521,000</u> |

Changes in the fair value of scheme assets are as follows:

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|----------------|
| | 31.8.19 | 31.8.18 |
| | £ | £ |
| Fair value of scheme assets | 296,000 | 250,000 |
| Contributions by employer | 23,000 | 22,000 |
| Contributions by scheme participants | 6,000 | 6,000 |
| Expected return | 8,000 | 7,000 |
| Actuarial gains/(losses) | 5,000 | 11,000 |
| | <u>338,000</u> | <u>296,000</u> |

The amounts recognised in other recognised gains and losses are as follows:

| | Defined benefit pension plans | |
|--------------------------|-------------------------------|---------------|
| | 31.8.19 | 31.8.18 |
| | £ | £ |
| Actuarial gains/(losses) | (122,000) | 52,000 |
| | <u>(122,000)</u> | <u>52,000</u> |

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | Defined benefit pension plans | |
|------------------|-------------------------------|---------|
| | 31.8.19 | 31.8.18 |
| Equities | 70.9% | 77% |
| Government bonds | 7.5% | 8% |
| Bonds - Other | 5% | 4.6% |
| Cash/liquidity | 2.9% | 2.1% |
| Other | 7.7% | 3.6% |
| Property | 6% | 4.7% |

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Fair value at 31 August 2019 £ | Fair value at 31 August 2018 £ |
|---|---|---|
| Equities | 222,000 | 227,000 |
| Government Bonds | 24,000 | 24,000 |
| Other bonds | 16,000 | 14,000 |
| Property | 19,000 | 14,000 |
| Cash/liquidity | 9,000 | 6,000 |
| Other | 24,000 | 11,000 |
| Total market value of assets | 314,000 | 296,000 |
| Present value of scheme liabilities | | |
| - Funded | (683,000) | (521,000) |
| Surplus/(deficit) in the same scheme | (369,000) | (225,000) |

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

| | 31.8.19 | 31.8.18 |
|----------------------------|---------|---------|
| Discount rate | 1.8% | 2.8% |
| Future salary increases | 3.5% | 3.6% |
| Future pension increases | 2.1% | 2.2% |
| Inflation assumption (CPI) | 2% | 2.1% |

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

| | At 31 August 2019 | At 31 August 2018 |
|-----------------------------|-------------------------|-------------------------|
| Retiring today | | |
| Males | 22.8 | 22.7 |
| Females | 25.8 | 25.7 |
| Retiring in 20 years | | |
| Males | 25.1 | 24.9 |
| Females | 28.2 | 28.0 |

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Sensitivity Analysis

| | At 31 August 2019 £000's | At 31 August 2018 £000's |
|------------------------------------|-----------------------------------|-----------------------------------|
| Central | 369 | 225 |
| Discount rate +0.1% | 353 | 213 |
| Inflation +0.1% | 385 | 237 |
| Pay growth +0.1% | 370 | 226 |
| 1 year increase in life expectancy | 381 | 234 |

20. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Mrs R Wilce partner of Mr P Wilce (a trustee of the Trust) worked as a teacher of the trust, however left during the prior year, costs amounting to £Nil (2018: £17,562) are included during the year. There are no amounts outstanding at the year end (2018: £Nil).

Mrs A Freeman, wife of A Freeman (a trustee of the Trust) works as an agency teacher at the school and costs amounting to £17,668 (2018: £15,194) are included during the year. There are no amounts outstanding at the year end (2018: £Nil).

Mr E Bee (a trustee of the trust) has invoiced the trust for Team Bees a business that Mr E Bee is involved with provided a sports cub for the trust amounting to £6,588 during the year (2018: £8,446). There are no amounts outstanding at the year end (2018: £Nil).

Ms T Thomas partner of Mr C Bandfield (a trustee of the trust) works as a senior learning support assistant of the trust and costs amounting to £6,168 (2018: £13,189) are included during the year. There are no amounts outstanding at the year end (2018: £Nil).

Mr T Freeman (a trustee of the trust) received £98 (2018: Nil) in the year for the provision of first aid courses delivered to the trust. There are no amounts were outstanding at the year end (2018: £Nil).

Ashperton Primary Academy have a SLA agreement in place with Barrs Court Academy Trust for the provision of the finance function, this is predominantly provided by Barrs Court Academy Trust's School Business Manager. During the year the academy paid £9,000 (2018: £8,250) for this service. At the year end £1,500 (2018: £1,500) was due from the academy.

In entering into these transactions the academy has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost'.