

Company number: 07577113

Aston Community Education Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Period 24 March 2011 to 31 August 2012

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Aston Community Education Trust

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Aston Community Education Trust

Reference and Administrative Details

Governors/Trustees/Directors

Appointed Resigned

Mr John Barton – Chair	24/03/2011	
Mrs Eunice Newton – Principal and Accounting Officer	24/03/2011	
Mrs Christine Arthur - Staff Governor	24/03/2011	01/07/2012
Mr Paul Bennett - Vice Chair	24/03/2011	
Mrs Jane Brennan	24/03/2011	
Ms Anita DeBrouwer	24/03/2011	
Mr Roy Dyson	24/03/2011	
Mrs Clare Dwan (nee Gallacher) - Staff Governor	24/03/2011	01/07/2012
Ms Tracy Goodison	24/03/2011	
Ms Hilda Jack	24/03/2011	
Mr Roger Justin	10/11/2011	
Ms Catharine Kinsella	24/03/2011	
Mrs Jean Long - Vice Chair	24/03/2011	
Rev Iain Alexander Somerville	10/11/2011	
Ms Carol Davison	24/03/2011	13/11/2011
Ms Patricia Graham	24/03/2011	31/07/2011

All other board members are members of one of the academy's various sub committees

Senior Leadership Team

Executive Principal	Mrs Eunice Newton
Vice Principal	Mrs Josie Sanigar
Vice Principal	Mrs Rebecca Hibberd
Vice Principal	Mrs Denise Richardson
Associate Senior Leader	Mrs Lynne Selkirk

Leadership Team

Assistant Head	Ms Gill Gibson
Assistant Head	Mrs Clare Dwan
Advanced Skills Teacher	Mrs Alison Munroe
Assistant Head	Mr James Graham
Assistant Head	Mr Andrew Hodgson
Assistant Head	Mr Dominic Curran
Business Manager	Mrs Margaret Catling

Principal and Registered Office

Aston Academy
Aughton Road
Swallownest
Sheffield
South Yorkshire
S26 4SF

Company Registration Number

07577113 (England & Wales)

Aston Community Education Trust**Reference and Administrative Details****Independent Auditor**

Allotts Business Services Ltd
Chartered Accountants
Registered Auditors
Sidings Court
Lakeside
Doncaster
DN4 5NU

Bankers

Lloyds TSB
14 Church Street
Sheffield
S1 1HP

Solicitors

Stone King LLP
Solicitors
13 Queen Square
Bath
BA1 2HJ

Aston Community Education Trust

Governors' Report for the Period Ended 31 August 2012

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company was incorporated on 24th March 2011 and opened as an academy on 1st May 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust, as amended by special resolution on conversion to a multi academy trust.

Under the terms of the original articles of association, the Governors acted as the Trustees for the charitable activities of the Trust and were also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Aston Community Education Trust.

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

Members Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the charitable company'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 negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Education 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 a 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 charitable company. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of the charitable company is the operation of Aston Community Education Trust as a multi academy trust, currently comprising of Aston Academy and Thurgroft Junior Academy, specifically to advance the public benefit of education in the U.K. Providing education for students across the age and ability range between the ages of seven and nineteen, offering a broad and balanced curriculum, concentrating on core national curriculum subjects, with an emphasis on ensuring all students can access high quality learning and teaching, enabling all pupils/students to reach their full potential, whatever their age, ability, gender or ethnicity. To promote, for the benefit of the inhabitants of Rotherham and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants. We are a specialist academy for Maths and computing and have strong partnerships with our feeder primary school community and we are rooted in and responsive to the needs of local people.

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Method of Recruitment and Appointment or Election of governors

The first Governors (Directors) were the people named in the incorporation documents. Following conversion from a single academy to a multi academy trust, the articles of association were amended by special resolution. In the amended articles of association, the term Governor has been replaced by the term Director. In accordance with the amended articles, the members of the academy (who number 6) may appoint up to 6 Directors, and the Directors may appoint up to 3 co-opted Directors. The total number of Directors (or co-opted Directors) who are employees of the Company must not exceed one third of the total number of Directors. The Secretary of State may in special circumstances appoint such additional Directors as he sees fit – to date there has been no such additions.

There are also 10 Governors (of Aston Academy) who exercise only the powers which are delegated by the Trustees/Directors, via Terms of Reference which are reviewed on an annual basis, of these there are 2 Parent Governors (elected), 2 Staff Governors (elected) and one Local Authority nominee – the same template is used in Thurstcroft Junior Academy, who are also part of the trust.

We have named Governors (the majority of whom are also Trustees) who take particular responsibility for the following: Anti-bullying, Arts, Child Protection and Safeguarding, Children in Public Care, Anti-Drugs, Health & Safety on School Trips, Health & Safety, Equality & Diversity, Special Education Needs, Sex & Relationships, Target Setting, Governor Training & Development, Executive Principal Review Panel.

Our Trustees' details are available via the academy website, by looking in the drop down menu "about us" and choosing "ACET".

Policies and Procedures Adopted for the Induction and Training of governors

We recognise the positive contribution that Governors can make to our organisation, when they have commitment, training and are given the opportunity to do so, therefore, attracting people with the experience, skills, desire and time to make a difference in their local community is fundamental to our approach. Such people are encouraged to join the team and work with the trust. The induction and training programme is managed by the named Governor and a full programme of training and induction is offered, including attendance on relevant training courses offered by external providers, access to in-house training delivered by strategic leaders in school and opportunity to request further training that they feel would be beneficial.

Organisational Structure

During the period ACET has become a multi academy trust and is bound by amended Articles of Association which subject to the provisions of the Companies Act 2006 (and to any directions given by special resolution) ensure that the activities of the Academy Trust is managed by the Trustees/Directors who may exercise all the powers of the Academy. The Trustees/Directors have appointed separate committees (known as Local Governing Bodies) for each Academy and each committee has Terms of Reference which are reviewed on an annual basis. The Local Governing Body fulfil their role via sub committees (with annually reviewed Terms of Reference). The Trustees/Directors approve the annual budget and monitor the use of the budget via reports from relevant committees. The Senior Leadership Team comprising of The Executive Principal and three Vice Principals manage the academies and implement the policies approved by the Trustees/Directors.

The Executive Principal fulfils the role of Accounting Officer in addition to which the following powers are delegated to the Executive Principal, these are detailed within the relevant terms of reference and reviewed and approved annually.

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Staffing

- Responsibility for appointing all staff below the level of the leadership team
- Responsibility to ensure that selection panels of all posts within the leadership team are drawn from the membership of the full governing body to ensure a wide range of skills and experience
- Responsibility for the initial decision on dismissing school staff

Finance

- Purchase of goods and services up to £7,500 allowed providing, the market has been tested and the principles of Best Value applied
- Purchase of goods and services over £7,500 and up to £50,000, at least 2 quotes must be obtained, a written record of all quotes including verbal to be kept with the purchase order and the principles of Best Value are applied
- Purchase of goods and services over £50,000 to be part of a tendering process, minimum of 3 suitable contractors whenever possible, information on such projects provided for discussion and approval at the appropriate governing body committee, approval of the tenders to include at least one non staff governor and be either in person or via email where necessary, maintaining the confidentiality of the source of the tenders and noting the reasons, should the decision not be in favour of the lowest value tender

Risk Management

The Trustees/Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy. Systems or procedures have been established to manage those risks. The procedures include identifying potential risks, assessing them against a scoring system and identifying preventative measures as well as looking at resilience measures. There are a number of systems in place to assess the risks that the academy faces, particularly in operational areas, including teaching, health & safety, anti-bullying and school educational visits. Systems include vetting of new staff and visitors, monitoring and supervision of the school site and internal financial controls, including a Controls Assurance Statement, which is reviewed at appropriate times by Trustees/Directors. These systems are for the purpose of minimising risk. Where significant financial risk can still be identified. The Trustees/Directors have ensured that adequate insurance cover is in place.

Connected Organisations, including Related Party Relationships

Aston Academy is a strong partner with its feeder primary school community and is in every sense a community school. Following requests from the Local Authority, we have provided support to help raise standards in some of our cluster primary schools and we have a very close and mutually beneficial relationship with the Thurcroft Junior Academy which is part of our trust.

The Transforming Rotherham Learning is at the core of our ethos

- We are all responsible for all Rotherham's children and young people
- All Rotherham learners will achieve, no one will be left behind
- Learning is the core business. investment, policy and strategy must be driven by opportunities for learners
- Learning communities will be rooted in and responsive to the needs of local people

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Aston Community Education Trust to provide education for students of different abilities between the ages of 11 and 19, and since July of this year this has extended to include from the age of 7

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education

We are committed to providing high quality learning and teaching, enabling everyone to reach their full potential, whatever their age, ability, gender or ethnicity

We believe that every person is unique and we work together in an inclusive environment of mutual respect and consideration, valuing everyone's contribution

Through our partnership with the local and wider community we aim to support our young people in successfully taking their place in society

Our School is committed to safeguarding and promoting the welfare of our pupils and all adults in school have a responsibility to safeguard and promote the welfare of children

Objectives, Strategies and Activities

Aston Academy is the foundation for the Aston ethos. It is a fully inclusive secondary school with an outstanding educational reputation and record of achievement. It has been the highest performing school within the Rotherham Education Authority for the past three years and was rated "Outstanding" by Ofsted most recently in 2010. It is also a Specialist Academy for Maths and Computing. Aston Academy is a strong partner with its feeder primary school community and is in every sense a community school. The Transforming Rotherham Learning is at the core of our ethos.

Children have unlimited potential and it is our responsibility to ensure that they maximise this potential. The Aston ethos starts with good behaviour, leading to strong personal values and feeling of worth. We back this up with strong pastoral care to ensure that our students can focus on their education in the widest sense. We want every student to achieve to their potential. This encompasses their academic, social and personal development.

We are committed to providing education for all youngsters from the community which the school serves and therefore, would never adopt a selective admissions policy. We are equally committed to avoiding fixed and permanent exclusions for students in our care as our record at Aston Academy attests (0 permanent exclusions and 2 fixed term exclusions in nearly 5 years). Our 100% target for students achieving 5+ A*-C in 2013 indicates our ambition for ALL our students.

We have an excellent record with children with SEN and pride ourselves on exhausting every existing intervention to enable children to succeed and then if necessary we will create more - we are determined that no child will be left behind.

Our staff are talented, dedicated professionals, committed to delivering top quality education. There is a strong focus on developing the profession and on continuous improvement.

Trustees/Directors/Governors and teachers and associate professionals work together as a team and indeed team work with all our partners is another critical aspect of our educational ethos and reason for our success.

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Governors ensure that we deliver a broad and balanced curriculum that concentrates on core national curriculum subjects. They appreciate the additional autonomy offered to academies to personalise the curriculum further, in the best interests of the student.

Parents and carers are core to supporting the learning of their child. We develop open communications to ensure that positive, supportive relations are developed between the school and the home. We seek to develop autonomous not dependent partners.

Continuing whole school priorities, include

- 1 To develop independent learning and outstanding teaching across the school
- 2 To continue to monitor, evaluate and further develop post 16 provision
- 3 To create a distinctive purpose and ethos in Key stage 3
- 4 To develop a positive school culture through the promotion of students' emotional and mental well-being
- 5 To continue to develop effective 'Continual Professional Development' opportunities throughout the academy

Public Benefit

The Trustees/Directors have due regard to the guidance and requirements on public benefit published by the Charity Commission, in exercising their powers or duties and will further take into consideration the revised guidance when this is published. A key object of the Academy Trust is to advance education for the public benefit in the United Kingdom.

Achievements and Performance

Since our conversion in May 2011 Aston Academy have continued to build on our success and some of these are described below.

Raising literacy across the curriculum at KS3 is a key priority. Teaching staff in Maths, English and Science have received training on the teaching of literacy across the curriculum at KS3. They are now able to interpret the results of baseline testing in literacy. Leadership Team continue to monitor the delivery of literacy across the curriculum.

Members of the English Faculty have worked with the Primary English Coordinators at KS2 on the moderation of writing at KS2, this will improve the transition into KS3 English.

A member of staff has started training on a British Dyslexia Association course for the assessment of dyslexia, and the teaching of literacy. Another member of staff is training on the assessment of dyscalculia to help identify and raise numeracy levels at KS3 and together with the Numeracy Working Group is working on embedding numeracy skills through the displays across all faculties.

The Primary School Maths coordinators are working with the Numeracy Group to share best practice for the teaching of numeracy across the primary partnership. The coordinators have worked at the Academy in the Spring Term to deliver examples of best practice in the teaching of numeracy.

As well as ensuring the best possible outcomes for students at Aston we have continued to work hard to support children in other schools. During the Summer Term our work in this area was recognised when Aston was awarded National Support School status and Aston's Principal was recognised as a National Leader of Education.

Aston Community Education Trust

Governors' Report (continued)
for the Period Ended 31 August 2012

One of our Advanced Skills Teachers' worked regularly and at length with one of our cluster primary schools to raise standards of attainment and achievement in Y6. Our AST planned and delivered English lessons to prepare students for SATs, and coached staff of the school in precise matching of student work and targets to Assessment Focus Points. This was, as summer results have shown, particularly effective.

Another of our Advanced Skills Teachers' also continued to support a local academy's drama department with GCSE coursework and performance criteria.

Our lead Advanced Skills Teacher continued a coaching and support role with a local secondary school's History Department in preparing for GCSE exams in History and delivery and assessment of controlled assessment work. Results rose again last year.

Two of our senior leaders supported the Headteacher of one of our primary cluster schools' by monitoring, evaluating and improving the quality of teaching in Mathematics and English through

- Joint lesson observation and discussion and feedback
- Intervention in Mathematics and English
- Leadership challenge and support – introduction of detailed monitoring and tracking systems and direction of staffing

There was also significant support to our Junior Academy – prior to and since the conversion date in July 2012 with an Advanced Skills Teacher and a senior leader from Aston, lending teaching support in Mathematics and English through

- Intervention in Mathematics – booster classes in preparation for SATS
- Writing support in preparation for SATS

Staff also supported a second cluster primary school through

- Hosting and leading mathematics KS2 development
- Discussion with SLT re Ofsted framework
- Discussion with staff and governing body re Ofsted framework

Y11

During the Summer Term students in Y11 followed carefully prepared revision programmes, accessed during timetabled lessons, after school and during holiday periods. Their attendance during the examination period was excellent, arriving on time and displaying exemplary conduct.

Results were very pleasing and yet again placed Aston Academy as the top school in Rotherham for the third consecutive year and again in the top 10% of schools nationally.

Measure	2012 result
5A* - C including Maths and English	78.40%
5A* - C	99%
5A* - G	99%
3 levels progress English	83%
3 levels progress Maths	72%
Average point score (based on 4Matrix)	576.28
Capped Average point score	366.8
A* - C in English	82%
A* - C in Maths	82%
English Baccalaureate	12%

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Y12

Y12 students achieved an impressive 94% pass rate, this was above the target set and an improvement on last year's pass rate, and based on 2011 national pass rate data this would be well above performance nationally 19% of all the grades awarded were at grade A, and 73% were at grades A-C, an increase of 8% on last year

Y13

Students achieved a 99% pass rate, meeting the target set for this cohort Based on the 2011 national pass rate data this exceeds performance nationally 11% of all the grades awarded were A* grades, this was a 4% improvement on last year 30% of all the grades awarded were A* or A grades and this was a 10% improvement on last year 82% of grades awarded were A-C grades, this was a 9% improvement on last year 83% of students have moved on to university with a further 1% taking a Gap Year with a view to starting university next year, 5% secured apprenticeships, 4% moved to further education and 5% secured employment

PE & Sports programme

Rounders Round Up

The Y8 girls remain undefeated as they retained their Rotherham champion's title The Y7 and Y9 girls have finished second and third in Rotherham respectively This year Aston Academy had a rounders team in every age group for Rotherham finals, something that cannot be matched by any other Rotherham school We have also hosted a Rounders festival during the Summer Term

English Institute of Sport Day

On Thursday the 14th of June, 2 of our students were invited to the EIS for a disability talent identification day They took part in a range of sports including, wheelchair Basketball, football, athletics and table tennis Once again one of our students identified as being talented within wheelchair basketball while the other student was identified, for the first time, as being talented within football

Sports Leaders

This academic year Aston Academy level 2 sports leaders from Y12 have successfully organised and lead over 9 primary school festivals These students have dedicated their time after school to help with the efficient running of these festivals They planned these competitions in advance and went into our local primary schools to coach the Y5 and Y6 students before the events preparing them for the upcoming festival Comments from staff parents and headteachers' have been very positive and as a result many Y12 students are now working in the community either volunteering or working in sport The link between Aston Academy and our local 8 primary schools is now very strong with our Y12s becoming role models for younger students in the community

Athletics

At Aston the athletic season started in April with a number of competitions against 13 other Rotherham Schools We have had great success in each competition, this has included four of our students achieving the regional standard and having the opportunity to represent Rotherham in the South Yorkshire Finals for English Schools Finishing off the season, students competed in the Rotherham Schools Championships on the 27th June, with 1st, 2nd and 3rd place success for students in Y7, Y8 and Y9 in the 4x100m relay, 800m, 100m, high jump and long jump One of our Y11 students, has reached the national qualifying standard and represented South Yorkshire in the English Schools Championships in July

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Handball

Summer 2012 was the first time Aston academy has entered a handball competition. They faced competition from Rotherham, Doncaster and Sheffield schools as well as a touring school from Italy. A great tournament resulted in Aston being crowned champions, another first for 2012.

Olympic Celebrations

Aston Academy has been enjoying the Olympic countdown and to celebrate we have taken students to a range of different sporting events to experience Olympic style sports. We had over 260 students in Y7 and Y8 enter our PE competition to challenge themselves at one of the events. Students taking part in a Diving session at Ponds Forge in Sheffield were led by their instructor Dale in the fundamentals of Diving before moving onto Diving at 5m, 7m and 10 metre diving boards, some students demonstrated Olympic potential. Students have also braved the conditions and canoed at Rothervaley and were taught Olympic style techniques in this demanding sport. We have taken students trampolining in the English Institute of sport. This venue is probably one of the most elite training venues in Britain and a real treat to all students involved. Students also took part in a day of archery at Aston Academy.

It was the Cricket Festival at Treeton on June 22nd which was organised and led by our Y12 BTEC students. All 8 schools attended with both boys and girls competing against each other.

Aston Makunduchi Partnership

The outbound leg of our 9th our bi-annual exchange between Aston Academy and Makunduchi Secondary School took place between 19th July and 5th August. 21 6th Form students and 4 staff spent three weeks living in the Zanzibari village and learning about their way of life.

The focus for the visit was to work with Makunduchi students in preparation for their Tanzanian Form 4 examinations – the equivalent of our GCSE examinations. Aston students prepared active revision workshops in Maths, Chemistry, Geography, Biology, Physics and English. Our students were shocked at how difficult the examinations were (they are based on the traditional O Level) and the fact that the students had to sit them in English – their second language.

The students enjoyed excellent accommodation, we were given a large house on the beach owned by a government minister and for the first time in the history of the exchange we even enjoyed occasional hot water. We were in Makunduchi during the religious festival of Ramadan.

For many of our students this was a life changing experience and a wonderful opportunity to share a way of life vastly removed from their own. The return leg starts on 20th October when 8 students and 2 teachers arrive from Zanzibar.

Managing and improving the physical environment of the academy is a key priority and we were successful in securing funding from the Academies Capital Maintenance Fund - total value £1.4million for the replacement of a significant numbers of windows and roofing areas across academy.

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.

Aston Community Education Trust

Governors' Report (continued)
for the Period Ended 31 August 2012

Key Financial Performance Indicators

The academy uses performance indicators to evidence that in addition to working within all relevant legislative requirements and guidance, all funds are used in the most efficient and effective way, to fully support continuing excellence. The financial performance of the academy is monitored by Trustees, Directors and Governors via regular meetings and access to concise monitoring information which can be clearly and easily understood. Performance indicators include,

Monitoring compliance that

- Spending has been for the purpose intended
- No Trustee/Director/Governor or employee has benefitted personally from the use of these funds
- Senior Officers payroll arrangements fully meet tax obligations
- Competitive tendering is in place and applied
- There is probity in the use of public funds
- Segregation of duties is embedded throughout the financial systems
- Regular comparison of staffing numbers against current and projected student intake takes place

The academy is also subject to scrutiny from external organisations including EFA via the Budget Forecast return, Whole Government Accounts return, Financial Management and Governance Evaluation

Financial Review

Most of the Academy's income is received from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received in period ended 31st August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities

The academy also receives grants for fixed assets from the DfE and from other government bodies in accordance with Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned

The Statement of Financial Activities for the period ended 31st August 2012 shows a surplus before actuarial pension adjustments of £12,413K

At 31st August 2012 the net book value of fixed assets was £13,333K and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy

The school also received a capital grant of £1,405K following a bid to the Academies Capital Maintenance Fund which allowed a very significant and much needed programme of roof and window replacement around the academy site

Our completed Financial Management & Governance Evaluation was submitted to the YPLA (now EFA) this submission evaluates systems and practice in 5 areas

- Financial Oversight
- Financial Planning
- Internal Control
- Financial Monitoring
- Proper and regular use of public funds

Aston Community Education Trust

Governors' Report (continued) for the Period Ended 31 August 2012

Financial and Risk Management Objectives and Policies

The academy recognises the need to identify and assess the probability of all financial risks. The objective is to comply with best practice and to have on-going, continually developing systems in place to mitigate financial risks. We continuously evaluate our systems, including appropriate software packages. To comply with our statutory obligations as an employer and we have worked with our accountants and colleagues in payroll and HR to ensure that all statutory returns have been submitted within appropriate timescales.

Principal Risks and Uncertainties

These include,

- Uncertainties in levels of funding, particularly in the current economic climate
- Proposed changes to funding mechanisms at national level
- Fluctuations in student number projections
- Impact of parental choice
- Management of pension deficit
- Impact of inflation and other similar factors outside the control of the academy

The academy is mindful of all these and more and will ensure that these form part of our developing risk register on an on-going basis and that appropriate controls exist to minimise/mitigate any impact on the academy.

Reserves Policy

The academy policy is to assess the on-going financial needs of the organisation and make sufficient provision via appropriate income streams. The overarching principal is that this year's funds are for the benefit of this year's students and that all grant funding is spent as needed, however, within this it is recognition that it is absolutely vital that prudent cost projections must be used to form the annual budget and close attention must be paid supporting renewals and analysing historic information and how it is used in the planning process. Reserves have not been allowed to exceed previously stated levels from the EFA including the restrictions within these levels (these limits have been removed as of September 2012, but any specific requirements of individual funding agreements must be adhered to).

Unrestricted reserves are under the direction of ACET and will be allocated in line with the strategic aims and objectives of the Academy and DEP priorities.

As at 31st August 2012 the unrestricted reserves were £329,000

Investment Policy

Using cash flow information, investments are restricted to risk free, short, fixed term deposits with our own bankers – interest from such deposits is used by the school as unrestricted income.

Plans for Future Periods

The academy will continue our commitment to continuous improvement and higher levels of achievement for all our students, in line with our ethos of ensuring that each and every student reaches his or her full potential. We fully understand what is required in order to promote effective and sustainable school improvement and in addition to our overarching commitment to providing a broad and balanced curriculum is our intention to further support our core curriculum of Maths, English, Science, ICT and P.E.

Aston Community Education Trust

Governors' Report (continued)
for the Period Ended 31 August 2012

We are continuing with our programme of partnership with local special schools, providing enrichment opportunities for their students, students of Aston Academy and Thurcroft Junior Academy

We plan to continue to submit relevant capital bids whenever possible to obtain maximum benefit for large scale high impact re-furbishment projects to upgrade the buildings around both academy sites which will provide immediate and long term benefit. With careful management to minimise disruption to students and staff this will further support learning and teaching by providing an enhanced student environment accessible to all stakeholders of the academy

Funds held as Custodian Trustee on behalf of others

ACET and its Governors do not act as the Custodian Trustees of any other Charity


Auditor

In so far as the Governors are aware

- i) there is no relevant audit information of which the charitable company's auditor is unaware, and
- ii) the governors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Allotts Business Services Ltd, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies 2006, unless the charitable company receives notice under section 488(1) of the Companies Act 2006

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by



J Barton
(Chair of Governors)

Aston Community Education Trust

Governance Statement
for the Period Ended 31 August 2012

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Aston Community Education Trust (ACET) 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 Executive Principal, 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 Aston Community Education Trust (ACET) 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 Governors' report and in the statement of Governors' responsibilities. The Governing Body of ACET has formally met 6 times during the period. Attendance during the year at meetings of the Governing Body was as follows:

	Attended	Possible
Mr John Barton	6	6
Mrs Eunice Newton	6	6
Mrs Christine Arthur	5	6
Mr Paul Bennett	6	6
Mrs Jane Brennan	2	6
Ms Anita DeBrouwer	5	6
Mr Roy Dyson	6	6
Mrs Clare Dwan (nee Gallacher)	3	6
Ms Tracy Goodison	5	6
Ms Hilda Jack	2	6
Mr Roger Justin	5	5
Ms Catharine Kinsella	6	6
Mrs Jean Long	5	6
Rev Iain Alexander Somerville	4	5
Ms Carol Davison	0	1
Ms Patricia Graham	1	1

Aston Community Education Trust

Governance Statement (continued)
for the Period Ended 31 August 2012

The Finance Committee is a sub-committee of the main governing body. Its purpose is to manage the Academy's resources and finances efficiently and effectively. Attendance at meetings in the period was as follows:

	Attended	Possible
Mr John Barton	6	6
Mrs Eunice Newton	6	6
Ms Tracy Goodison	5	6
Mr Paul Bennett	5	6
Ms Hilda Jack	2	6

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 ongoing processes designed to identify and prioritise the risks to the achievement of the 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 at Aston Community Education Trust (ACET) for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Aston Community Education Trust

Governance Statement (continued)
for the Period Ended 31 August 2012

The Risk and Control Framework

Aston Community Education Trust's (ACET) system of internal 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 at each academy

- 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 finance committee of reports which indicate financial performance against the forecasts and of any 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed David Gee, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on each academy's financial systems. Allotts Business Services Limited were appointed to carry out financial checks each term and report their findings to the RO. On a quarterly basis the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. No major control issues were identified during the period.

The system of internal control has been developed and is co-ordinated by the Executive Principal in liaison with the Business & Finance Director (or other delegated person). It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

Review of Effectiveness

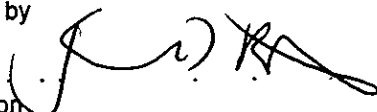
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- regular scrutiny of financial and other performance monitoring data
- completion of a Financial Risk & Control Checklist

The Accounting Officer has been advised of the implications of the result of their review of internal control by the RO and a plan to address any weaknesses and ensure continuous improvement of the systems will be developed.

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by

J Barton
(Chair)



E Newton
(Accounting Officer)



Aston Community Education Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Aston Community Education Trust (ACET) I have considered my responsibility to notify ACET Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between ACET and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non compliance have been discovered to date.

E. Newton

E Newton
(Accounting Officer)

20 December 2012

Aston Community Education Trust

Statement of Governors Responsibilities

The Governors (who act as Trustees for charitable activities for Aston Community Education Trust and are also Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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 period. 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

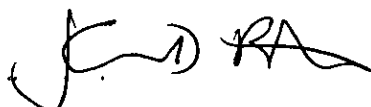
- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by



J Barton
(Chair)

Aston Community Education Trust

**Independent Auditor's Report on the Financial Statements to the
Members of Aston Community Education Trust**

We have audited the financial statements of Aston Community Education Trust for the period ended 31 August 2012, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 18, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Aston Community Education Trust

**Independent Auditor's Report on the Financial Statements to the
Members of Aston Community Education Trust**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

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

Allotts Business Services (16)

M A Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of
Allotts Business Services Ltd
Chartered Accountants
Statutory Auditor
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date *21/12/2012,*

Aston Community Education Trust

**Independent Reporting Accountant's Assurance Report on Regularity
to Aston Community Education Trust
and the Education Funding Agency**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aston Community Education Trust during the period 1 May 2011 to 31 August 2012 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 Aston Community Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aston Community Education Trust and the EFA 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 Aston Community Education Trust and the EFA for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Aston Community Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aston Community Education Trust's funding agreement with the Secretary of State for Education dated 4 April 2011 (including any subsequent variation) and the Academies Financial Handbook as published by the EFA in September 2012, 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 2011/12. 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 May 2011 to 31 August 2012 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 2011/12 issued by the EFA. 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

Aston Community Education Trust

Independent Reporting Accountant's Assurance Report on Regularity
to Aston Community Education Trust
and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during 1 May 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Allotts Business Services (12)

Allotts Business Services Ltd
Chartered Accountants
Statutory Auditor
Sidings Court
Lakeside
Doncaster
DN4 5NU

Date *21/12/2012*

Aston Community Education Trust

Statement of Financial Activities For the Period Ended 31 August 2012

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	NOTES	Unrestricted Funds 2012 £000	Restricted General Funds 2012 £000	Restricted Fixed Asset Funds 2012 £000	Total Funds 2012 £000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income - transfer from local authority on conversion	3	288	(1,695)	12,454	11,047
Other voluntary income	3	-	-	1,475	1,475
Activities for generating funds	4	41	263	-	304
Investment income	5	3	-	-	3
Incoming resources from charitable activities					
Funding for the Academy's educational operations	6	-	12,765	-	12,765
TOTAL INCOMING RESOURCES		<u>332</u>	<u>11,333</u>	<u>13,929</u>	<u>25,594</u>
RESOURCES EXPENDED					
Costs of generating funds	7	3	-	-	3
Charitable activities					
Academy's educational operations	8	-	12,010	1,104	13,114
Governance costs	9	-	64	-	64
TOTAL RESOURCES EXPENDED	7	<u>3</u>	<u>12,074</u>	<u>1,104</u>	<u>13,181</u>
NET INCOMING RESOURCES BEFORE TRANSFERS		329	(741)	12,825	12,413
Gross transfers between funds	17	-	(525)	525	-
NET INCOME FOR THE PERIOD		<u>329</u>	<u>(1,266)</u>	<u>13,350</u>	<u>12,413</u>
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial (losses) on defined benefit pension schemes	23	-	(277)	-	(277)
NET MOVEMENT IN FUNDS		<u>329</u>	<u>(1,543)</u>	<u>13,350</u>	<u>12,136</u>
RECONCILIATION OF FUNDS					
Accumulated funds brought forward	17	-	-	-	-
Accumulated funds carried forward		<u>329</u>	<u>(1,543)</u>	<u>13,350</u>	<u>12,136</u>

All of the charitable company's activities derive from acquisitions in the current period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities


The notes attached form part of these financial statements

Aston Community Education Trust
(Company Number 07577113)

Balance Sheet as at 31 August 2012

	NOTES	2012 £000	2012 £000
FIXED ASSETS			
Tangible assets	13		13,333
CURRENT ASSETS			
Stock	14	11	
Debtors	15	388	
Cash at bank and in hand		1,383	
		<u>1,782</u>	
CREDITORS:			
Amounts falling due within one year	16	<u>929</u>	
NET CURRENT ASSETS			<u>853</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,186
NET ASSETS EXCLUDING PENSION LIABILITY			14,186
Pension scheme liability	23		(2,050)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>12,136</u></u>
 FUNDS OF THE ACADEMY			
RESTRICTED FUNDS			
Fixed asset funds	17		13,350
General funds	17		507
Pension reserve	17		(2,050)
			<u>11,807</u>
UNRESTRICTED FUNDS			
General funds	17		329
			<u>329</u>
TOTAL FUNDS			<u><u>12,136</u></u>

The financial statements on pages 23 to 44 were approved by the Governors, and authorised for issue on 20 December 2012 and are signed on their behalf by

.....

 J Barten
 Chair

The notes attached form part of these financial statements

Aston Community Education Trust**Cash Flow Statement for the period ended 31 August 2012**

	Notes	2012 £000
Net cash inflow from operating activities:	1	3,075
Returns on investments and servicing of finance	2	3
Capital expenditure	3	(1,983)
Cash transferred on conversion to an academy		288
Increase in cash and cash equivalents	4	1,383

Reconciliation of net cash flow to movement in net funds

Net funds at 1 May 2011	-
Net funds at 31 August 2012	1,383

All of the cash flows are derived from acquisitions in the current financial period.

Notes to the Cash Flow Statement

	2012 £000
1. Reconciliation of net income to net cash inflow from operating activities:	
Net income	12,413
Depreciation charges	993
Loss on disposal of fixed assets	111
Net (Assets) transferred on conversion	(11,047)
Interest receivable	(3)
FRS17 pension adjustments	78
Capital grants	-
(Increase) in debtors	(388)
Increase in creditors	929
(Increase) in stocks	(11)
Net cash inflow from operating activities	3,075

2. Returns on Investments and servicing of finance

Bank interest received	3
Net cash inflow from returns on investment and serving of finance	-

3. Capital expenditure and financial investment

Purchase of tangible fixed assets	(1,983)
Capital grants from EFA/YPLA	-
Net cash outflow from capital expenditure and financial investment	(1,983)

4. Analysis of changes in net funds

	At 1 May 2011 £000	Cash Flows £000	At 31 August 2012 £000
Cash at hand and in bank	-	1,383	1,383

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

b) 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.

c) Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The General Accounting Grant (GAG) has been used for the purpose for which it was intended and in compliance with the funding agreement.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

The Academy Trust's land and buildings are on a 125 year lease from Rotherham Metropolitan Borough Council. No premium was paid and the rent is one peppercorn. The buildings were valued on conversion at depreciated replacement cost and are depreciated over the remainder of their expected life. Land was valued at market value and is depreciated over the length of the lease.

Other fixed assets transferred on conversion were valued at an estimate of the current value to the Academy Trust.

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1. ACCOUNTING POLICIES (CONTINUED)

d) Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. In the opinion of the governors all support costs are considered to be for the academy's educational operations.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

e) Tangible Fixed Assets

Assets transferred on conversion were valued in accordance with note 1c above. Assets purchased after conversion 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold land	over the lease term of 125 years
Leasehold buildings	over remaining life of buildings up to 50 years
Fixtures, fittings and equipment	15% reducing balance
ICT equipment	33 33% straight line
Motor Vehicles	25% reducing balance

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

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

f) Leased Assets

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

g) Stock

Computer consumables are valued at the lower of cost or net realisable value.

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

1. ACCOUNTING POLICIES (CONTINUED)

h) 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.

i) Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company 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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the charitable company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

j) 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 funder 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.

k) Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from a state maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Aston Community Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

2. GENERAL ANNUAL GRANT

	Aston Academy £000	Thurcroft Academy £000	Total 2012 £000
a) Results and carry forward for the year			
GAG brought forward from previous year	-	-	-
GAG allocation for current year	12,196	162	12,358
Total GAG available to spend	12,196	162	12,358
Recurrent expenditure from GAG	(11,218)	(108)	(11,326)
Fixed assets purchased from GAG	(471)	(54)	(525)
GAG carried forward to next year	507	-	507
 Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	 (1,464)	 (19)	 (1,483)
 GAG to surrender to DfE (12% rule breached if result is positive)	 (957)	 (19)	 (976)
	no breach	no breach	no breach

3 VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Transfer from Local Authority			
Land and buildings	-	11,877	11,877
Other tangible fixed assets	-	577	577
School Fund cash balance	70	-	70
Cash surplus from local authority	218	-	218
Pension deficit	-	(1,695)	(1,695)
	288	10,759	11,047
 Other voluntary income - capital grants			
Devolved formula capital	-	70	70
Partnerships for schools	-	1,405	1,405
	-	1,475	1,475

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Hire of facilities	4	-	4
Trips, books etc	-	172	172
Cover for teachers	-	67	67
Sundry income	37	24	61
	41	263	304

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

5. INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Investment income:			
Bank interest received	3	-	3

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000 Aston	Unrestricted Funds £000 Thurcroft	Restricted Funds £000 Aston	Restricted Funds £000 Thurcroft	Total 2012 £000
DfE/EFA revenue grants					
GAG	-	-	12,196	162	12,358
16-19 bursary fund	-	-	15	-	15
WGA assistance	-	-	2	-	2
Pupil premium	-	-	169	9	178
Primary support - EFA	-	-	65	-	65
Conversion grant	-	-	25	-	25
	<u>-</u>	<u>-</u>	<u>12,472</u>	<u>171</u>	<u>12,643</u>
Other government grants					
Primary support - none EFA	-	-	47	-	47
Special educational projects	-	-	75	-	75
	<u>-</u>	<u>-</u>	<u>122</u>	<u>-</u>	<u>122</u>
	<u>-</u>	<u>-</u>	<u>12,594</u>	<u>171</u>	<u>12,765</u>

7. RESOURCES EXPENDED

	Staff Costs £000	Premises £000	Other Costs £000	Total 2012 £000
Costs of generating funds	3	-	-	3
Academy's educational operations.				
Direct costs	7,320	993	935	9,248
Allocated support costs	2,194	1,122	550	3,866
	<u>9,514</u>	<u>2,115</u>	<u>1,485</u>	<u>13,114</u>
Governance costs	-	-	64	64
Total	<u>9,517</u>	<u>2,115</u>	<u>1,549</u>	<u>13,181</u>

Incoming/outgoing resources for the year include.

	Total 2012 £000
Operating leases	33
Fees payable to auditor	11
audit	11
other services	993
Depreciation	993

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Direct costs			
Teaching and educational support staff costs	-	7,320	7,320
Depreciation	-	993	993
Loss on disposal of fixed assets	-	111	111
Educational supplies	-	174	174
Examination fees	-	244	244
Staff development	-	42	42
Educational consultancy	-	114	114
Reprographic costs	-	42	42
Pupils work experience	-	17	17
Trips, books etc	-	163	163
Other direct costs	-	28	28
	-	9,248	9,248
Allocated support costs			
Support staff costs	-	2,194	2,194
Maintenance of premises and equipment	-	501	501
Cleaning	-	261	261
Rent and rates	-	59	59
Insurance	-	164	164
Utilities	-	137	137
Security and transport	-	28	28
Catering	-	126	126
Phone, postage and stationery	-	80	80
Professional services	-	49	49
Pension finance costs	-	94	94
Other support costs	-	173	173
	-	3,866	3,866
	-	13,114	13,114

9 GOVERNANCE COSTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal fees	-	17	17
Cost of conversion	-	25	25
Auditor's remuneration			
- audit fees	-	11	11
- non-audit services	-	11	11
	-	64	64

10. STAFF COSTS AND NUMBERS

Staff costs during the period were	2012 £000
Wages and salaries	7,657
Social Security costs	590
Pension costs	1,104
FRS 17 pension adjustment	(16)
	9,335
Supply staff	182
	9,517

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

10. STAFF COSTS AND NUMBERS (CONTINUED)

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2012 No.
Charitable Activities	
Teachers	81
Administration and support	59
Management	56
	<u>196</u>

The number of employees whose emoluments fell within the following bands was

	2012 No.
£60,001 - £70,000	11
£70,001 - £80,000	3
£80,001 - £90,000	4
£90,001 - £100,000	1
£150,001 - £160,000	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these employees amounted to £213,072

11. GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors.

The remuneration paid during the period from 1 May 2011 to 31 August 2012, or period of office if shorter, was as follows

Eunice Newton	Principal - Aston	£150k-£155k for a 16 month period
Clare Dwan	Staff governor - Aston	£60k-£65k for a 14 month period
Chris Arthur	Staff governor - Aston	£30k-£35k for a 14 month period

No expenses were paid to governors during the period under review

Other related party transactions involving trustees are set out in note 24

12. 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. Each insurance cover provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £4,548.

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

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****13. TANGIBLE ASSETS**

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment & Licences	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
Assets on conversion	11,877	108	438	31	12,454
Additions	1,558	108	297	20	1,983
Disposals	-	-	(111)	-	(111)
At 31 August 2012	<u>13,435</u>	<u>216</u>	<u>624</u>	<u>51</u>	<u>14,326</u>
Depreciation					
Charge for the period	617	35	324	17	993
Eliminated on disposal	-	-	-	-	-
At 31 August 2012	<u>617</u>	<u>35</u>	<u>324</u>	<u>17</u>	<u>993</u>
Net Book Values					
At 31 August 2012	<u>12,818</u>	<u>181</u>	<u>300</u>	<u>34</u>	<u>13,333</u>

14. STOCK

	2012 £000
ICT equipment and consumables	11
	<u>11</u>

15. DEBTORS (all due within one year)

	2012 £000
Trade debtors	-
Prepayments and accrued income	152
Other debtors	236
	<u>388</u>

16. CREDITORS: Amounts falling due within one year

	2012 £000
Trade creditors	619
Other taxes and social security	139
Accruals and deferred income	159
Other creditors	12
	<u>929</u>
Deferred income	
Deferred from current receipts	80
Carried forward	<u>80</u>

Included in deferred income is £45K in respect of funds received in advance of school trips due to take place after 31 August 2012 and a 16-19 Bursary grant of £12K for the academic year 2012/13

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****17 FUNDS**

	Balance 01/05/2011 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance 31/08/2012 £000
Restricted general funds					
a) General annual grant (GAG)	-	12,358	(11,326)	(525)	507
b) Other DfE/EFA grants	-	285	(285)	-	-
c) Other government grants	-	122	(122)	-	-
d) Other generated income	-	263	(263)	-	-
e) Pension reserve	-	(1,695)	(78)	(277)	(2,050)
	-	11,333	(12,074)	(802)	(1,543)
Restricted fixed asset funds					
f) Assets transferred on conversion	-	12,454	(794)	-	11,660
g) DfE/EFA capital grants and capital expenditure from GAG	-	70	(163)	525	432
h) Other grants	-	1,405	(147)	-	1,258
	-	13,929	(1,104)	525	13,350
Total restricted funds	-	25,262	(13,178)	(277)	11,807
Unrestricted funds	-	332	(3)	-	329
Total funds	-	25,594	(13,181)	(277)	12,136

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

- General Annual Grant must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.
- This includes 16-19 Bursary, Pupil Premium, WGA assistance, Primary support and Conversion grant. The Primary support grant is to be used to assist with the conversion of Thurcroft to an academy. The conversion grant is to be used for the cost of converting Aston to an academy.
- Other government grants includes Special Education Needs grant and a Primary support grant. The Primary support grant is to be used to assist with the conversion of Thurcroft to an academy.
- Other generated income is money collected for trip/book etc, cover for teachers, exam fee income, sports co-ordinator income and exam board vouchers all of which are to be used specifically to cover the cost of providing them.
- This represents the movement during the period and deficit at the period end in respect of the Local Government Pension Scheme (See Note 23).
- This represents the assets transferred from the Local Authority on conversion to an academy (See Note 13).
- EFA Devolved Formula Capital grant is to be used specifically to maintain and improve its buildings and facilities.
- Academies Capital Maintenance grant from Partnerships for School is to replace the roof and windows.

The transfers from the restricted fixed asset funds represents fixed assets purchased out of the GAG

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	13,333	13,333
Current assets	329	1,436	17	1,782
Current liabilities	-	(929)	-	(929)
Pension scheme liability	-	(2,050)	-	(2,050)
Total net assets	329	(1,543)	13,350	12,136

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****19. CAPITAL COMMITMENTS**

	2012 £000
Contracted for, but not provided in the financial statements	<u>29</u>

20. FINANCIAL COMMITMENTS**Operating leases**

At 31 August 2012 the Academy Trust had annual commitments under non-cancellable operating leases as follows

	2012 £000
Other	
Expiring within one year	1
Expiring within two and five years inclusive	<u>53</u>
	<u>54</u>

21. CONTINGENT LIABILITIES

There are no contingent liabilities at the year end

22 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

23 PENSIONS AND SIMILAR OBLIGATIONS

ACET 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 South Yorkshire Pension Fund Both are defined-benefit schemes

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £7,534 were payable to the schemes at 31 August 2012 and are included within creditors

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Teachers' Pension Scheme**

The teachers pension scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Act are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the costs of pension increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers would broadly defray the costs of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in the future and by notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at valuation date) was £163,240 millions. The assumed real rate of return 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance the assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8% depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in the Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charitable company has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charitable company has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

ACET is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Separate disclosure has been provided for each scheme - South Yorkshire Pension Fund - Aston Academy and South Yorkshire Pension Fund - Thurcroft Academy.

Summary

	Inherited Pension (Deficit)	Service Costs	Pension Finance Costs	Actuarial Gains/ (Losses)	Pension Asset / (Liability) at 31/08/12
	£000	£000	£000	£000	£000
Aston Academy	(1,415)	18	(92)	(249)	(1,738)
Thurcroft Academy	(280)	(2)	(2)	(28)	(312)
	<u>(1,695)</u>	<u>16</u>	<u>(94)</u>	<u>(277)</u>	<u>(2,050)</u>

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****South Yorkshire Pension Fund - Aston Academy**

The total contributions for the period ended 31 August 2012 was £366,280, of which employers contributions totalled £273,301 and employees contributions totalled £92,979. The agreed contribution rates for future years are 12% for employers and between 5.5% and 7.5% for employees.

Major assumptions

	At 31 August 2012 %	At 1 May 2011 %
Discount rate	4.50	5.30
Rate of increase for pensions	2.30	2.80
Rate of increase in salaries	4.05	4.55
Rate of inflation (CPI)	2.30	2.80
Overall expected Return on assets	5.57	NA

Commutation of pension for lump sum on retirement
50% take maximum cash, 50% take 3/80ths cash

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	Central £000	Sensitivity 1 +0.1% pa discount rate £000	Sensitivity 2 +0.1% pa inflation £000	Sensitivity 3 1 year increase in life expectancy £000
Liabilities	2,763	2,699	2,829	2,812
Assets	(1,025)	(1,025)	(1,025)	(1,025)
Deficit/ (Surplus)	1,738	1,674	1,804	1,787
Projected Service Cost for next year	231	224	238	236
Projected Expected Return on Assets for next year	(65)	(65)	(65)	(65)
Projected Interest Cost for next year	131	131	134	133

Life expectancy assumptions

The average future life expectancies at the age of 65 are summarised below

	At 31 August 2012 years	At 1 May 2011 years
Male current pensioner age 65 now	21.8	21.4
At 65 for a male future pensioner aged 45 now	23.6	22.8
Female current pensioner age 65 now	24.6	24.1
At 65 for a female future pensioner aged 45 now	26.5	25.7

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****Share of assets and rate of return**

The academy's share of the assets and liabilities of the scheme and the expected rate of return were:

	Long-term rate of return expected as at 31 August 2012	Fair value as at 31 August 2012	Long-term rate of return expected as at 1 May 2011	Fair value as at 1 May 2011
	%	£000	%	£000
Equities	7.0	667	7.5	NA
Property	6.0	98	6.5	NA
Government bonds	2.5	149	4.2	NA
Other bonds	3.4	84	4.9	NA
Cash	0.5	27	0.5	NA
Expenses deduction	0.22	-	0.22	NA
Total		<u>1,025</u>		<u>620</u>
		£000		£000
Fair value of assets		1,025		620
Present value of liabilities		<u>(2,763)</u>		<u>(2,035)</u>
(Deficit) in the scheme		<u>(1,738)</u>		<u>(1,415)</u>

The actual return on scheme assets was £73,000

The expected rate of return on plan assets is based on market assumptions, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual classes weighted by the proportion of the assets in the particular asset class.

Movement in deficit

	2012 £000
At 1 May 2011	-
Inherited on conversion	(1,415)
Current service charge	(250)
Employer contributions	268
Past service gain/(cost)	-
Net interest/return on assets	(92)
Actuarial gain/(loss)	<u>(249)</u>
At 31 August 2012	<u>(1,738)</u>

Net (interest)/return on assets

	2012 £000
Expected return on assets	62
Interest on liabilities	<u>(154)</u>
	<u>(92)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £249,000 loss.

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****Amounts recognised in the statement of financial activities**

	2012 £000
Current service cost (net of employee contributions)	250
Past service cost	-
Total operating charge	<u>250</u>
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	62
Interest on pension liabilities	(154)
Pension finance income / (costs)	<u>(92)</u>

All experience adjustments arose in this current period

Movements in the present value of defined benefit obligations were.

	2012 £000
At 1 May 2011	2,035
Current service cost	250
Interest cost	154
Employee contributions	94
Benefits / transfers paid	-
Past service cost (gain)	-
Actuarial (gain) /loss on liabilities	230
At 31 August 2012	<u>2,763</u>

Movements in the fair value of academy's share of scheme assets were :

	2012 £000
At 1 May 2011	620
Expected return on assets	62
Employee contributions	94
Employer contributions	268
Benefits / transfers paid	-
Past service cost (gain)	-
Actuarial gain / (loss) on assets	(19)
At 31 August 2012	<u>1,025</u>

The estimated value of employer contributions for the year ended 31 August 2013 is
£203,000

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****South Yorkshire Pension Fund - Thurcroft Academy**

The total contributions for the period ended 31 August 2012 was £8,654, of which employers contributions totalled £6,540 and employees contributions totalled £2,114. The agreed contribution rates for future years are 12% for employers and 5.5% and 7.5% for employees.

Major assumptions

	At 31 August 2012 %	At 1 July 2012 %
Discount rate	4.50	4.80
Rate of increase for pensions	2.30	2.40
Rate of increase in salaries	4.05	4.15
Rate of inflation (CPI)	2.30	2.40
Overall expected return on assets	5.57	5.80

Commutation of pension for lump sum on retirement
50% take maximum cash, 50% take 3/80ths cash

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	Central £000	Sensitivity 1 +0.1% pa discount rate £000	Sensitivity 2 +0.1% pa inflation £000	Sensitivity 3 1 year increase in life expectancy £000
Liabilities	511	499	523	520
Assets	(199)	(199)	(199)	(199)
Deficit/ (Surplus)	312	300	324	321
Projected Service Cost for next year	38	37	39	39
Projected Expected Return on Assets for next year	(12)	(12)	(12)	(12)
Projected Interest Cost for next year	24	24	24	24

Life expectancy assumptions

The average future life expectancies at the age of 65 are summarised below

	At 31 August 2012 years	At 1 July 2012 years
Male current pensioner age 65 now	21.8	21.4
At 65 for a male future pensioner aged 45 now	23.6	22.8
Female current pensioner age 65 now	24.6	24.1
At 65 for a female future pensioner aged 45 now	26.5	25.7

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****Share of assets and rate of return**

The academy's share of the assets and liabilities of the scheme and the expected rate of return were

	Long-term rate of return expected as at 31 August 2012	Fair value as at 31 August 2012	Long-term rate of return expected as at 1 July 2012	Fair value as at 1 July 2012
	%	£000	%	£000
Equities	7.0	130	7.0	NA
Property	6.0	19	6.0	NA
Government bonds	2.5	29	2.7	NA
Other bonds	3.4	16	3.7	NA
Cash	0.5	-	5.0	NA
Expenses deductions	0.22	5	0.22	NA
Total		<u>199</u>		<u>190</u>
		£000		£000
Fair value of assets		199		190
Present value of liabilities		<u>(511)</u>		<u>(470)</u>
(Deficit) in the scheme		<u>(312)</u>		<u>(280)</u>

The actual return on scheme assets was £3,000

The expected rate of return on plan assets is based on market assumptions, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual classes weighted by the proportion of the assets in the particular asset class.

Movement in deficit

	2012 £000
At 1 July 2012	-
Inherited on conversion	(280)
Current service charge	(6)
Employer contributions	4
Past service gain/(cost)	-
Net interest/return on assets	(2)
Actuarial gain/(loss)	<u>(28)</u>
At 31 August 2012	<u>(312)</u>

Net (interest)/return on assets

	2012 £000
Expected return on assets	2
Interest on liabilities	<u>(4)</u>
	<u>(2)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £28,000 loss.

Aston Community Education Trust**Notes to the Financial Statements for the Period Ended 31 August 2012****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)*****Amounts recognised in the statement of financial activities***

	2012 £000
Current service cost (net of employee contributions)	6
Past service cost	-
Total operating charge	<u>6</u>
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	2
Interest on pension liabilities	<u>(4)</u>
Pension finance income / (costs)	<u>(2)</u>

All experience adjustments arose in this current period.

Movements in the present value of defined benefit obligations were:

	2012 £000
At 1 July 2012	470
Current service cost	6
Interest cost	4
Employee contributions	2
Benefits / transfers paid	-
Past service cost (gain)	-
Actuarial (gain) / loss on liabilities	<u>29</u>
At 31 August 2012	<u>511</u>

Movements in the fair value of academy's share of scheme assets were :

	2012 £000
At 1 July 2012	190
Expected return on assets	2
Employee contributions	2
Employer contributions	4
Benefits / transfers paid	-
Past service cost (gain)	-
Actuarial gain / (loss) on assets	<u>1</u>
At 31 August 2012	<u>199</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £34,000

Aston Community Education Trust

Notes to the Financial Statements for the Period Ended 31 August 2012

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions involving the governors.

25. CONVERSION TO AN ACADEMY TRUST

On 1 May 2011, Aston Comprehensive School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aston Community Education Trust from Rotherham Metropolitan Borough Council for nil consideration.

On 1 July 2012, Thurcroft Junior School also converted to an academy and joined the Aston Community Education Trust on a similar basis.

The transfer in each case has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

Aston Academy	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total £000
Land and buildings	-	-	10,371	10,371
Other tangible fixed assets	-	-	523	523
Budget Surplus on LA Funds	217	-	-	217
School Fund surplus	67	-	-	67
LGPS pension (deficit)	-	(1,415)	-	(1,415)
Net assets/(liabilities)	284	(1,415)	10,894	9,763

The above net assets/(liabilities) include £284,801 that was transferred in cash.

Thurcroft Academy	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total £000
Land and buildings	-	-	1,506	1,506
Other tangible fixed assets	-	-	54	54
Budget Surplus on LA Funds	1	-	-	1
School Fund surplus	3	-	-	3
LGPS pension (deficit)	-	(280)	-	(280)
Net assets/(liabilities)	4	(280)	1,560	1,284

The above net assets/(liabilities) include £4,167 that was transferred in cash.

Total	288	(1,695)	12,454	11,047
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