

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**



**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 10
<b>Governance Statement</b>	11 - 14
<b>Statement of Trustees' Responsibilities</b>	16
<b>Independent Auditors' Report on the Financial Statements</b>	17 - 18
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	19 - 20
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	21
<b>Balance Sheet</b>	22
<b>Statement of Cash Flows</b>	23
<b>Notes to the Financial Statements</b>	24 - 43

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	Mr C Culpin Mr A Llewellyn Mr C Chapman
<b>Trustees</b>	Mr C Culpin, Chairman Mr A Llewellyn <sup>2,3</sup> Mrs S Pilgrim, Principal Mr P Barraclough (appointed 2 November 2015) <sup>2</sup> Mrs A Bennett, Vice Chairman <sup>2</sup> Ms A Beaton (appointed 15 October 2015, resigned 7 October 2016) Dr S Berry (resigned 4 October 2015) <sup>2,3</sup> Mr C Chapman <sup>1</sup> Ms R Flack (resigned 6 April 2016) <sup>2</sup> Mr S Flanagan <sup>1</sup> Mr P Gane <sup>1</sup> Mrs T Harrison <sup>2</sup> Mr D Healey (appointed 2 November 2015) <sup>1</sup> Mr J Holt <sup>3</sup> Mr H Kershaw, Staff Trustee (resigned 15 October 2015) <sup>1,2</sup> Miss C Kitchiner <sup>3</sup> Ms S Laskey (resigned 7 July 2016) <sup>2</sup> Ms T Mason (resigned 23 September 2016) <sup>3</sup> Mrs L Mosley <sup>3</sup> Mr D Robertson (appointed 10 October 2016) Miss C Sowden (resigned 6 February 2016) <sup>3</sup> Mr D Wrathall (appointed 30 November 2015) <sup>2</sup>  <sup>1</sup> Finance and Business Committee Member <sup>2</sup> Learning and Progress Committee Member <sup>3</sup> Personnel Committee Member

<b>Company registered number</b>	07657806
<b>Company name</b>	Ansford Academy Trust
<b>Principal and Registered office</b>	Maggs Lane Castle Cary Somerset BA7 7JJ
<b>Company secretary</b>	Mrs S Graham
<b>Accounting officer</b>	Mrs S Pilgrim

<b>Senior Leadership Team</b>	Mrs S Pilgrim, Principal Miss E Martin, Vice Principal Mrs R Comyns, Business Manager Mrs E King, Assistant Principal Mr B Willson, Assistant Principal Miss S Dukes, Associate Assistant Principal Mr S Roberts, Associate Assistant Principal
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**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
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<b>Bankers</b>	Lloyds Bank Plc 9 High Street Yeovil Somerset BA20 1RN
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<b>Solicitors</b>	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP
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**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in east Somerset. It has a pupil capacity of 760 and had a roll of 583 in the school census on 6 October 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Ansford Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they ceased to be a member.

**Trustees' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Articles of Association set out that the Academy shall ordinarily have the following Trustees:

- up to 8 Community Trustees
- up to 2 Staff Trustees
- a minimum of 2 and up to 7 Parent Trustees
- the Principal

At any one time there may be more than 18 Trustees because the Governing Body can make use of the power to co-opt other suitable persons as allowed by the Academy's Articles of Association.

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. Parent Trustees are elected by parents of students at the Academy. Other Trustees are suggested by existing members and are then interviewed by either the Chair of Trustees or the Principal. They are then recommended to the full Governing Body which makes the final decision.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy provides for Trustee recruitment, induction and training. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. A new and improved induction programme has been developed this year. New Trustees are provided with copies of key reference / information documents at the time of appointment. All Trustees can access copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. An in-house training session for recently appointed Trustees was held in January 2016.

**Organisational Structure**

The Board of Trustees normally meets six times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are sub committees as follows:

- **Finance and Business Committee** - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports on internal audit processes and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Learning and Progress Committee** - this meets six times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Personnel Committee** – this meets six times a year with the key remit of considering any policy or issue related to staff, including pay, recruitment, terms and conditions and changes to contracts. This committee acts as the Pay Committee.

The following decisions are reserved to the Members: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman and to appoint the Principal and Clerk to the Trustees.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Members and Board of Trustees have devolved responsibility for day to day management of the Academy to the Senior Leadership Team. These individuals implement the policies laid down by the Trustees and report back to them on performance.

The Principal and Business Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Finance Policy. Some spending control is devolved to Budget Holders which must be authorised in line with the Finance Policy. The Principal is responsible for the appointment of staff, apart from Vice Principals, within a broad staffing structure approved by Trustees.

The Principal is the Accounting Officer.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees of the Board do not receive remuneration but are able to reclaim at cost any expenses incurred in connection with their Trustee duties.

The Senior Leadership Team has significant delegated responsibility for the day to day running of the Academy. Pay and remuneration of the Senior Leadership Team has been implemented in line with the following:

- Conditions of Service for School Teachers in England And Wales, 2000.
- School teachers' pay and conditions document 2016 and guidance on school teachers' pay and conditions.
- Somerset County Council's Model Pay Policy for Schools.
- Contractual obligation and terms and conditions of staff under the Transfer of Undertakings legislation.
- Benchmarking against Somerset academy staff structures and national trends.

The pay and remuneration of the Principal and Vice Principal are agreed by the Trustees.

The pay and remuneration of the Assistant Principals, Associate Principals and Business Manager are delegated to the Principal and reported to the Pay Committee.

**Connected Organisations, including Related Party Relationships**

1610 Ltd has use of part of the Academy's leisure facilities and a shared use agreement and lease between them and the Academy has been signed.

The charity Eatcary has a lease on an area of land on the school site which is used as a community garden project. Eatcary help support the horticulture curriculum offered by the Academy in the form of volunteers.

During 2016 a student visit to Zambia took place. This visit was run in collaboration with the Cary Mufalira Trust Partnership.

The Academy works in close collaboration with the primary feeder schools and King Arthur's School in Wincanton.

There are no related parties which either control or significantly influence the decisions and operations of Ansford Academy. Friends of Ansford Academy help support the Academy through charitable events.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the charitable company is the operation of Ansford Academy to provide free education and care for pupils of different abilities between the ages of 11 and 16.

**Objectives, Strategies and Activities**

The Academy's priority aims during the year ended 31 August 2016 are summarised below:

- To unlock the potential of all students in order to secure their futures;
- To lay the foundations for lifelong learning;
- To provide strong moral stewardship of academy resources;
- To create a culture where individuals feel valued for who they are and inspired to explore the possibilities of who they might become.

A key business priority was to submit bids for funding to the Condition Improvement Fund (CIF) for a kitchen refurbishment and window and curtain wall replacement.

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

In addition, in partnership with 1610 Ltd, the Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

**STRATEGIC REPORT**

**Achievements and Performance**

Our Academy motto in the year to 31 August 2016 was 'learning together to lead our lives' which reflects our commitment to help students to be independent thinkers with the knowledge, skills and attributes to be in control of their own lives. Our focus is therefore on raising expectations and maintaining our high academic standards through supporting and nurturing the happy young people in our care.

Ansford students have continued to excel across a wide range of subjects. In English an impressive 78% of them achieved A\*-C grades. In Maths the percentage of students achieving A\*-C increased to 70%, and in science 74% of students achieved A\*-C grades. 67% of students achieved 5A\*-C including English and Maths. An impressive 23% of all grades achieved were A\* or A and 49% of students achieved at least 1 top grade.

In the newly introduced headline measures, the Academy also performed well with a Progress 8 score of 0.12 and an Attainment 8 score of 53.5 points compared to a national average of 48.2 points.

The Academy has a strong pastoral care service. The Academy continues to run a very popular Student Health Clinic. In addition it also works with an educational psychologist, counselling support services and employs a careers guidance specialist.

The Academy has established close links with other Academies in Somerset through teaching and business forums. It is also part of the Ansford Learning Partnership, with local primary schools.

**Key Performance Indicators**

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers on census in 2016 were 583, a small increase on 2015. Projections indicate a steady rise back to around 620 in 2017. Given the time lag in funding, there will be increased pressure on funding up until 2018. In 2016, the Academy carried out a redundancy process in order to account for the budgetary pressures due largely to increases in staffing costs caused by National Insurance and pension contribution rate changes. There has been a year's delay in the implementation of the National Funding Formula and as one of the lowest funded authorities, schools in Somerset, including Ansford Academy, are under considerably tight budgets. It will be difficult to maintain current, already reduced, staffing levels and the curriculum offer in the run up to implementation of the formula.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going Concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.



**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, the Academy received total income of £3,237,735, which consisted of recurrent grant funding from the DfE and other incoming resources.

At 31 August 2016 the net book value of fixed assets was £6,516,251 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 pupils of the Academy.

The Academy is responsible for the deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the Statement of Financial Activities with details in note 22 to the financial statements. The Governing Body recognises that the scheme deficit represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, Business Manager, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings and Treasury Management.

The Trustees have appointed an Internal Audit service via Somerset County Council. During the year, the Trustees received reports from the Internal Audit service which contained no matters of significance.

**Reserves Policy**

The Trustees review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £180,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Reserves may be needed to cushion against falling school roll, reductions in government funding and meeting costs of redundancy. The level of free reserves at 31 August 2016 was £111,286. The Trustees expect the level of reserves to continue to decline and remain below the target level of £180,000 until such time as the fairer funding changes are implemented.

The Academy has an infrastructure plan in place detailing the cost of works that are expected to need to be completed in the future. The Academy recognises the importance of the reserve in delivering ongoing maintenance. The reserve will not be sufficient to support significant capital investment due to other financial pressures.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Investment Policy**

A return on cash should be optimised whilst allowing easy access of the funds. In balancing risk against return the Academy policy is clearly geared towards avoiding risk rather than maximising return.

The Academy operates an interest bearing current account with a bank approved by the Governing Body and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments.

Monies identified to fund future development shall be invested. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding six months. Periodically, at least annually, the Business Manager will review interest rates and compare with other business opportunities.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Fluctuation in pupil numbers - a key risk is fluctuations in pupil numbers, namely risks to revenue funding from a falling roll. This risk is accompanied by uncertainties in future funding formulas including the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs.

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 93% of the Academy's incoming resources was ultimately Government funded and whilst this high level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The trend at the moment is funding reductions. These reductions are accompanied by increased staff cost in terms of changes to pension contribution rates and national insurance changes. Somerset is one of the lowest funded local authorities in the country and there is limited evidence that this is going to change.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Fraud and mismanagement of funds** The Academy has appointed an Internal Audit service to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Business Manager has instigated a process and review of risk management. During 2014/15 the risk management process has been significantly improved by integrating business decisions alongside teaching and learning.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in the light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health of the Academy every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels.

The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Business Manager maintains a 5 year maintenance and development plan for the school site. Delivery of capital projects will be dependent on successful bids under the CIF.

Full details of our plans for the future are given in our School Improvement Plan.

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 8 December 2016 and signed on the board's behalf by:



**Mr C Culpin**  
Chair of Trustees



**Mrs S Pilgrim**  
Accounting Officer

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

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

### **GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Culpin, Chairman	5	6
Mr A Llewellyn	6	6
Mrs S Pilgrim, Principal	6	6
Mr P Barraclough	3	5
Mrs A Bennett	6	6
Ms A Beaton	3	6
Dr S Berry	0	0
Mr C Chapman	4	6
Ms R Flack	4	6
Mr S Flanagan	1	4
Mr P Gane	6	6
Mrs T Harrison	6	6
Mr D Healey	4	5
Mr J Holt	3	6
Mr H Kershaw, Staff Trustee	1	1
Miss C Kitchiner	1	6
Ms S Laskey	3	5
Ms T Mason	4	6
Mrs L Mosley	5	6
Mr D Robertson	0	0
Miss C Sowden	2	3
Mr D Wrathall	4	5

#### **Governance reviews:**

A Trustees skills audit was carried out in October 2015 and will regularly be updated as new Trustees are appointed. A new Trustee with financial management skills was sought through Academy Ambassadors (an organisation with a particular responsibility for placing people with business skills on the Governing Boards of Academies). In-house Trustees training events were held on 27 January 2016 (for recently appointed Trustees) and on 23 March 2016 (for all Trustees).

NCTL Governing Bodies Core Functions are regularly referred to in our meetings. These are:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding the Principal to account for the educational performance of the Academy and its pupils, and the performance management of staff;
- Overseeing the financial performance of the school and making sure money is well spent.

**ANSFORD ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The Minutes of the Finance and Business Committee show that overseeing the financial performance of the Academy and making sure that the money is well spent are rigorously carried out.

The Finance and Business Committee is a sub-committee of the main Board of Trustees. Its purpose is to work closely with the Principal to:

- Provide guidance to the governing body on key financial matters
- To review and monitor Policy statements as described in Appendix A in an agreed cycle
- To present a budget for the governing body's approval
- Monitor the budget using information provided by the finance officer and Principal, making certain spending remains within prescribed limits and to take appropriate action
- Report the financial situation to the governing body each term and make recommendations where necessary
- To work with Accountants and Auditors to prepare an Annual Report, for the Trustees, on the Academy finances
- Provide assurance to the board of trustees over the suitability of, and compliance with, the Academy's financial systems and controls by ensuring that an appropriate checking process is in place and remedial works are carried out if risks are identified
- To monitor the implementation of allocated parts of the Academy Improvement Plan
- Propose an appropriate level of financial delegation to the Principal and ensure this delegation is minuted by the governing body
- Monitor income and expenditure for all public funds for which the academy is responsible
- Respond appropriately to audit report recommendations
- Ensure non-public funds are audited
- Consider matters relating to the buildings and grounds, including security and health and safety matters
- Inspect the premises at least annually and agree a statement of priorities for maintenance and development
- Be made aware of relevant contracts, including those for cleaning and grounds maintenance
- Ensure the academy complies with health and safety regulations, in collaboration with the DFE through the Principal
- Consider insurance arrangements annually
- To monitor energy use and policy
- To monitor the community use of the academy
- Ensure compliance with financial regulations manual.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Chapman	4	6
Mr H Kershaw	1	1
Mr P Gane	5	6
Dr S Berry	0	0
Mr S Flanagan	4	6
Mr P Barraclough	1	4
Mr D Healey	3	5

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- **Collaboration:** The trust engages with other educational providers. There is an alliance between the Academy and other secondary schools through the Somerset Challenge programme designed to raise standards and provide skill sharing. As part of this programme the academy has joined Whole Education partnership and been able to benefit from events that it runs. This has included low cost opportunities for pupils to attend aspiration raising events. This collaboration is a principle driver for change within the school, contributing to the self-improving system. The Academy staff participate in county wide groups for Heads, Deputy Heads and Business Managers. This allows us to share knowledge of delivery, good practice, and to drive up standards for the least cost. The Academy shares resources with local primary schools. This includes the provision of catering services, supporting the Ansford Learning Partnership and a shared Parent and Family Support Advisor.
- **Better Purchasing:** All contracts are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness. The length of each contract will vary according to the cost of the contract and familiarity with the provider. Three year contracts have been entered into where contractor performance is known and the reduced cost was felt to benefit the trust. At times there is a balance to be had between the urgency of procurement and time to gather quotations. Preferred suppliers, based on customer service and reliability, have also been identified.
- **Benchmarking:** The trust benchmarks its costs against similar organisations. It also does this through the FD Forum discussions, Somerset Association of School Business Managers and in partnership with other schools in Somerset. We keep a register of all contracts to ensure best value and to identify areas for making further savings. Opportunities for joint procurement are considered.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ansford Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have chosen to appoint Somerset County Council, as Internal Assurance Officer.

On a quarterly basis, the Somerset County Council reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No matters of significance were reported during the year.

**REVIEW OF EFFECTIVENESS**

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

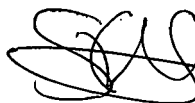
- the work of the independent audit function provided by Somerset County Council;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8 December 2016 and signed on its behalf, by:



**Mr C Culpin**  
Chair of Trustees



**Mrs S Pilgrim**  
Accounting Officer



**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Ansford Academy Trust I have considered my responsibility to notify the Academy Board of Trustees 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 the Academy 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 the Academy Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2015.

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



**Mrs S. Pilgrim**  
Accounting Officer

Date: 8 December 2016

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of Ansford Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Mr C Culpin**  
Chair of Trustees

Date: 8 December 2016

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ANSFORD ACADEMY TRUST**

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We have audited the financial statements of Ansford Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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 Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ANSFORD ACADEMY TRUST**

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**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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Bishop Fleming LLP*

David Butler FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

*13 December 2016*

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ANSFORD ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ansford Academy Trust during the year 1 September 2015 to 31 August 2016 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 Ansford Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ansford Academy Trust and 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 Ansford Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ANSFORD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Ansford Academy Trust's funding agreement with the Secretary of State for Education dated 24 June 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ANSFORD ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ANSFORD  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

David Butler FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date: *13 December 2016*

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	5,024	75,441	14,226	94,691	449,544
Charitable activities	5	80,238	2,933,138	-	3,013,376	3,125,655
Other trading activities	3	98,895	30,276	-	129,171	132,576
Investments	4	497	-	-	497	494
<b>TOTAL INCOME</b>		<b>184,654</b>	<b>3,038,855</b>	<b>14,226</b>	<b>3,237,735</b>	<b>3,708,269</b>
<b>EXPENDITURE ON:</b>						
Raising funds		93,879	-	-	93,879	102,789
Charitable activities		183,956	3,138,495	155,378	3,477,829	3,754,860
<b>TOTAL EXPENDITURE</b>	6	<b>277,835</b>	<b>3,138,495</b>	<b>155,378</b>	<b>3,571,708</b>	<b>3,857,649</b>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>		<b>(93,181)</b>	<b>(99,640)</b>	<b>(141,152)</b>	<b>(333,973)</b>	<b>(149,380)</b>
Transfers between Funds	17	-	(47,525)	47,525	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(93,181)</b>	<b>(147,165)</b>	<b>(93,627)</b>	<b>(333,973)</b>	<b>(149,380)</b>
Actuarial losses on defined benefit pension schemes	22	-	(650,000)	-	(650,000)	(7,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(93,181)</b>	<b>(797,165)</b>	<b>(93,627)</b>	<b>(983,973)</b>	<b>(156,380)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		204,467	(619,449)	6,609,878	6,194,896	6,351,276
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>111,286</b>	<b>(1,416,614)</b>	<b>6,516,251</b>	<b>5,210,923</b>	<b>6,194,896</b>

The notes on pages 24 to 43 form part of these financial statements.

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07657806**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	13		6,516,251	6,609,878
<b>CURRENT ASSETS</b>				
Debtors	14	105,698	232,709	
Cash at bank and in hand		244,295	546,081	
		<u>349,993</u>	<u>778,790</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(231,321)</u>	<u>(467,772)</u>	
<b>NET CURRENT ASSETS</b>			<u>118,672</u>	<u>311,018</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,634,923</u>	<u>6,920,896</u>
Defined benefit pension scheme liability	22		<u>(1,424,000)</u>	<u>(726,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>5,210,923</u></u>	<u><u>6,194,896</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
General funds	17	7,386	106,551	
Fixed asset funds	17	6,516,251	6,609,878	
Restricted income funds excluding pension liability		<u>6,523,637</u>	<u>6,716,429</u>	
Pension reserve		<u>(1,424,000)</u>	<u>(726,000)</u>	
Total restricted income funds			<u>5,099,637</u>	<u>5,990,429</u>
Unrestricted income funds	17		<u>111,286</u>	<u>204,467</u>
<b>TOTAL FUNDS</b>			<u><u>5,210,923</u></u>	<u><u>6,194,896</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:



**Mr C Culpin**  
Chair of Trustees



**Mrs S Pilgrim**  
Accounting Officer

The notes on pages 24 to 43 form part of these financial statements.



**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<b>(254,758)</b>	146,733
<b>Cash flows from investing activities:</b>			
Interest received		<b>497</b>	494
Purchase of tangible fixed assets		<b>(61,751)</b>	(58,059)
Capital grants from DfE/EFA		<b>14,226</b>	50,860
<b>Net cash used in investing activities</b>		<b>(47,028)</b>	(6,705)
<b>Change in cash and cash equivalents in the year</b>		<b>(301,786)</b>	140,028
Cash and cash equivalents brought forward		<b>546,081</b>	406,053
<b>Cash and cash equivalents carried forward</b>	20	<b>244,295</b>	546,081

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Ansford Academy Trust constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Ansford Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Ansford Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.2 GOING CONCERN**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 FUND ACCOUNTING**

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1.4 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**1.5 EXPENDITURE**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight line
Plant and machinery	-	4% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33.33% straight line

Freehold land is not depreciated.

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

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.8 TAXATION**

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

**1.9 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 LIABILITIES AND PROVISIONS**

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

**1.12 PENSIONS**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.13 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it requires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	5,024	75,441	-	80,465	12,979
Capital Grants	-	-	14,226	14,226	436,565
	<u>5,024</u>	<u>75,441</u>	<u>14,226</u>	<u>94,691</u>	<u>449,544</u>

In 2015, of the total income from donations and capital grants, £961 was unrestricted and £448,583 was restricted.

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	2,251	-	2,251	2,025
External Catering	93,879	-	93,879	102,789
Consultancy	1,540	-	1,540	1,400
Fees received	1,225	-	1,225	2,080
Other	-	-	-	2,566
1610 rates rebate	-	30,276	30,276	21,716
	<u>98,895</u>	<u>30,276</u>	<u>129,171</u>	<u>132,576</u>

In 2015, of the total income from other trading activities, £110,860 was unrestricted and £21,716 was restricted.

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	497	-	497	494
	<u>497</u>	<u>-</u>	<u>497</u>	<u>494</u>

In 2015 the total investment income of £494 was unrestricted.

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	2,763,516	2,763,516	2,846,652
Other DfE/EFA grants	-	125,111	125,111	138,378
	<u>-</u>	<u>2,888,627</u>	<u>2,888,627</u>	<u>2,985,030</u>
<b>Other Government grants</b>				
High Needs	-	13,949	13,949	10,782
Other non capital Government grants	-	30,562	30,562	26,451
	<u>-</u>	<u>44,511</u>	<u>44,511</u>	<u>37,233</u>
<b>Other funding</b>				
Sales to students	15,063	-	15,063	12,765
Trip income	65,175	-	65,175	90,627
	<u>80,238</u>	<u>-</u>	<u>80,238</u>	<u>103,392</u>
	<u>80,238</u>	<u>2,933,138</u>	<u>3,013,376</u>	<u>3,125,655</u>

In 2015, of the total income from charitable activities, £103,392 was unrestricted and £3,022,263 was restricted.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds - external catering	-	-	93,879	93,879	102,789
Education:					
Direct costs	2,170,561	89,877	354,764	2,615,202	2,476,599
Support costs	416,427	265,146	181,054	862,627	1,269,261
	<u>2,586,988</u>	<u>355,023</u>	<u>629,697</u>	<u>3,571,708</u>	<u>3,848,649</u>

In 2015, the total expenditure on raising funds of £102,789 was from unrestricted funds. In 2015, of the total expenditure on charitable activities, £96,775 was from unrestricted funds, £3,489,116 was from restricted funds and £144,778 was in relation to the restricted fixed asset fund.



**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**7. DIRECT COSTS**

	Total 2016 £	Total 2015 £
Pension finance costs	12,000	17,000
Educational supplies	86,730	99,708
Examination fees	44,762	40,892
Staff development	10,534	10,182
Trips, achievement gifts and pupil support	143,112	138,565
Supply teachers	76,383	68,871
Technology costs	18,056	5,256
Wages and salaries	1,692,859	1,627,595
National insurance	131,518	116,487
Pension cost	269,801	240,559
Depreciation	129,447	120,484
	<u>2,615,202</u>	<u>2,485,599</u>

**8. SUPPORT COSTS**

	Total 2016 £	Total 2015 £
Pension finance costs	15,000	10,000
Recruitment and support	3,751	8,960
Maintenance of premises and equipment	169,323	555,004
Cleaning	4,951	5,124
Rent and rates	20,152	19,542
Energy costs	40,705	40,608
Insurance	17,532	30,017
Security and transport	26,326	18,446
Catering	8,214	8,129
Technology costs	3,676	13,965
Office overheads	38,124	53,890
Legal and professional	58,810	66,877
Bank interest and charges	161	159
Governance	13,544	15,191
Wages and salaries	337,195	321,519
National insurance	17,940	15,699
Pension cost	61,292	61,837
Depreciation	25,931	24,294
	<u>862,627</u>	<u>1,269,261</u>

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>155,378</b>	144,778
Auditors' remuneration - audit	<b>7,345</b>	7,345
Auditors' remuneration - other services	<b>1,660</b>	1,660
Operating lease rentals	<b>10,359</b>	22,881
	<b><u>174,742</u></b>	<b><u>176,664</u></b>

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,953,320	1,949,114
Social security costs	149,458	132,186
Operating costs of defined benefit pension schemes	331,093	302,396
	<u>2,433,871</u>	<u>2,383,696</u>
Agency supply teacher costs	76,383	69,009
Staff restructuring costs	76,734	-
	<u><u>2,586,988</u></u>	<u><u>2,452,705</u></u>

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

	2016 No.	2015 No.
Teachers	38	38
Administration and support	51	51
Management	7	7
	<u>96</u>	<u>96</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	35	34
Administration and support	33	30
Management	7	7
	<u>75</u>	<u>71</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1

Included in staff restructuring costs are seven statutory/contractual and one non-statutory/non contractual redundancy payments totalling £76,734. Individually, the payments were £14,333, £5,200, £11,512, £2,340, £21,530, £18,847 and £2,972.

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including Employer pension contributions) received by key management personnel for their services to the Academy was £426,291 (2015: £403,641).

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 4 Trustees (2015: 3) in respect of defined benefit pension schemes.

The Principal and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows: Mrs S Pilgrim Remuneration £65,000 - £70,000 (2015: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000); H Kershaw Remuneration (part year) £0 - £5,000 (2015: £40,000 - £45,000), Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000); A Beaton Remuneration (part year) £20,000 - £25,000 (2015: £Nil), Employer's pension contributions £0 - £5,000 (2015: £Nil); D Wrathall Remuneration (part year) £25,000 - £30,000 (2015: £Nil), Employer's pension contributions £0 - £5,000 (2015: £Nil).

During the year ended 31 August 2016, expenses totalling £502 (2015: 430) were reimbursed to 2 Trustees (2015: 3).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**13. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2015	7,028,442	13,288	18,322	122,250	7,182,302
Additions	-	-	7,373	54,378	61,751
At 31 August 2016	7,028,442	13,288	25,695	176,628	7,244,053
<b>DEPRECIATION</b>					
At 1 September 2015	478,598	1,018	5,660	87,148	572,424
Charge for the year	115,808	531	4,706	34,333	155,378
At 31 August 2016	594,406	1,549	10,366	121,481	727,802
<b>NET BOOK VALUE</b>					
At 31 August 2016	6,434,036	11,739	15,329	55,147	6,516,251
At 31 August 2015	6,549,844	12,270	12,662	35,102	6,609,878

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	11,962	17,852
Prepayments and accrued income	80,670	157,761
VAT recoverable	13,066	57,096
	<u>105,698</u>	<u>232,709</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade creditors	46,133	307,657
Taxation and social security	45,299	42,463
Other creditors	39,546	40,022
Accruals and deferred income	100,343	77,630
	<u>231,321</u>	<u>467,772</u>

**DEFERRED INCOME**

	2016 £	2015 £
Deferred income at 1 September 2015	56,731	75,671
Resources deferred during the year	39,560	56,731
Amounts released from previous years	(56,731)	(75,671)
Deferred income at 31 August 2016	<u>39,560</u>	<u>56,731</u>

Included within deferred income is funding received in advance for a Parent and Family Support Advisor as well as income received for trips taking place in the 2016/17 academic year.

**16. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	244,295	546,081
Financial assets measured at amortised cost	50,472	141,557
	<u>294,767</u>	<u>687,638</u>

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	204,467	184,654	(277,835)	-	-	111,286
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	14,917	2,773,805	(2,742,947)	(45,775)	-	-
Pupil Premium	-	106,072	(106,072)	-	-	-
High needs	-	13,949	(13,949)	-	-	-
Donations	532	5,154	(5,686)	-	-	-
Other EFA Grants	-	6,750	(6,750)	-	-	-
Educational trips	-	70,287	(67,400)	-	-	2,887
1610 rates rebate	-	30,276	(30,276)	-	-	-
Other	-	32,562	(32,562)	-	-	-
CIF	91,102	-	(84,853)	(1,750)	-	4,499
Pension reserve	(726,000)	-	(48,000)	-	(650,000)	(1,424,000)
	(619,449)	3,038,855	(3,138,495)	(47,525)	(650,000)	(1,416,614)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	6,501,457	-	(131,831)	-	-	6,369,626
Fixed assets purchased from GAG and restricted funds	108,421	14,226	(23,547)	47,525	-	146,625
	6,609,878	14,226	(155,378)	47,525	-	6,516,251
Total restricted funds	5,990,429	3,053,081	(3,293,873)	-	(650,000)	5,099,637
Total of funds	6,194,896	3,237,735	(3,571,708)	-	(650,000)	5,210,923

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

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year, £45,775 (2015: £7,199) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Pupil Premium - Pupil Premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**17. STATEMENT OF FUNDS (continued)**

High needs - Funding received from the Local Authority to fund further support for students with additional needs.

Donations - Voluntary income received for a specific purpose.

Other EFA Grants - funding received from the EFA for a Year 7 catch up grant and a summer school grant.

Educational trips - income received in relation to educational trips.

1610 rates rebate - Funds received from 1610 Limited specifically for the upkeep and ongoing maintenance of the leisure centre.

Other - Various sources of restricted grants including income from Somerset County Council to fund the position of Pupil and Family Support Advisor.

CIF - Funding received from the Condition Improvement Fund for a kitchen refurbishment and the replacement of windows and a curtain wall.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy

Fixed assets purchased from GAG and restricted funds - This represents the net book value of fixed assets purchased using GAG and Devolved Formula Capital.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	6,516,251	6,516,251	6,609,878
Current assets	150,846	199,147	-	349,993	778,790
Creditors due within one year	(39,560)	(191,761)	-	(231,321)	(467,772)
Pension scheme liability	-	(1,424,000)	-	(1,424,000)	(726,000)
	<u>111,286</u>	<u>(1,416,614)</u>	<u>6,516,251</u>	<u>5,210,923</u>	<u>6,194,896</u>

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of Financial Activities)	(333,973)	(149,380)
<b>Adjustment for:</b>		
Depreciation charges	155,378	144,778
Interest received	(497)	(494)
Decrease in debtors	127,011	126,544
(Decrease)/increase in creditors	(236,451)	23,145
Capital grants from DfE and other capital income	(14,226)	(50,860)
Defined benefit pension scheme cost less contributions payable	21,000	26,000
Defined benefit pension scheme finance cost	27,000	27,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(254,758)</b>	<b>146,733</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash at bank and in hand	244,295	546,081
	<b>244,295</b>	<b>546,081</b>

**21. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	92,467



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**22. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £39,316 were payable to the schemes at 31 August 2016 (2015: £9,456) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £225,069 (2015: £190,970).

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

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**22. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £113,000 (2015: £114,000), of which employer's contributions totalled £85,000 (2015: £86,000) and employees' contributions totalled £28,000 (2015: £28,000). The agreed contribution rates for future years are 18.1% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.20 %</b>	4.00 %
Rate of increase in salaries	<b>4.10 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.70 %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>23.8 years</b>	23.7 years
Females	<b>26.2 years</b>	26.1 years
Retiring in 20 years		
Males	<b>26.1 years</b>	26.0 years
Females	<b>28.5 years</b>	28.4 years

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	513,000	388,000
Bonds	134,000	95,000
Property	75,000	56,000
	-	-
Cash	21,000	10,000
Total market value of assets	<u>743,000</u>	<u>549,000</u>

The actual return on scheme assets was £99,000 (2015: £14,000).

The actuary has advised that an overall expected rate of return on assets of 5.9% has been used but has not provided an analysis of the rate of return for each category of asset.

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(106,000)	(112,000)
Net interest cost	(27,000)	(27,000)
Total	<u>(133,000)</u>	<u>(139,000)</u>
Actual return on scheme assets	<u>99,000</u>	<u>14,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	1,275,000	1,090,000
Current service cost	106,000	112,000
Interest cost	51,000	46,000
Contributions by employees	28,000	28,000
Actuarial losses	725,000	2,000
Benefits paid	(18,000)	(3,000)
Closing defined benefit obligation	<u>2,167,000</u>	<u>1,275,000</u>

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**22. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	549,000	424,000
Interest income	24,000	19,000
Actuarial gains and (losses)	75,000	(5,000)
Contributions by employer	85,000	86,000
Contributions by employees	28,000	28,000
Benefits paid	(18,000)	(3,000)
Closing fair value of scheme assets	743,000	549,000

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	7,837	15,970
Between 1 and 5 years	19,485	27,322
Total	27,322	43,292

**24. 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.

**25. GENERAL INFORMATION**

Ansford Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Maggs Lane, Castle Cary, Somerset, BA7 7JJ.

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from the local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Board of Trustees 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.

During the year, the Academy purchased annual membership for £1,361 from Sash Education Limited, a company in which S Pilgrim is a director. There was no balance outstanding at the year end.

**ANSFORD ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
		£	£
Total funds under previous UK GAAP		6,351,276	6,194,896
Total funds reported under FRS 102		<u>6,351,276</u>	<u>6,194,896</u>

<b>Reconciliation of net income / (expenditure)</b>	<b>Notes</b>	<b>31 August 2015</b>
		£
Net expenditure previously reported under UK GAAP		(140,380)
Pension interest income		<u>(9,000)</u>
Net movement in funds reported under FRS 102		<u>(149,380)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £9,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.