

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)


Ash Field Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period ended 31 August 2016

Company Registration Number:
07988444 (England and Wales)

WEDNESDAY



A5LCDLLE

A31 07/12/2016 #187

COMPANIES HOUSE

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

Contents

Page

Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 14
Statement on regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 18
Independent Auditors' Report on Regularity	19 - 20
Statement of Financial Activities incorporating Income & Expenditure Account	21 - 22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements, incorporating:	25 - 46
Statement of Accounting Policies	
Other Notes to the Financial Statements	

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

Reference and Administrative Details

Trustees

Ms. Kathy Inskip, Chair of Trustees	Trustee, Member, Director, Community Governor
Mr Allan Dunsmore, Vice Chair of Trustees	Trustee, Member, Director, Trust Appointed Governor
Mrs Jane Booth, Principal	Trustee, Member, Director, Ex-officio Governor
Mr Barry Moore	Trustee, Member, Director, Community Governor
Ms. Rebecca Wade	Trustee, Director, Community Governor
Mr Rupert Mingay	Trustee, Director, Parent Governor
Mrs Sue Orme	Trustee, Director, Parent Governor
Mr Barney Thorne	Trustee, Director, Parent Governor
Mrs Jane Lynch	Trustee, Director, Support Staff Governor (resigned 30.11.16)
Miss Amy Cubitt	Trustee, Director, Teacher Staff Governor

Company Secretary

Miss Julie Aquilina

Senior Leadership Team

Mrs Jane Booth, Principal
Mrs Rhian Richardson, Deputy Principal
Miss Sarah Naylor, Vice Principal
Mrs Helen Jarvis, Vice Principal

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

Registered Office	Ash Field Academy Trust Broad Avenue Leicester LE5 4PY
Company Registration Number	07988444
Independent Auditors	Duncan & Toplis Limited 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Co-operative Bank 77 Market Place Leicester LE1 5EN
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

ASH FIELD ACADEMY TRUST (A company limited by guarantee)

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates as an Academy for pupils aged 4 to 19 serving a catchment area in Leicester, Leicestershire, Rutland and Northamptonshire. It has a pupil capacity of 135 and had a roll of 126 on the school census on 15 January 2015.

Principal Activities

For the purpose of meeting its object the academy has the following main areas of continuous activity:

1. **Day academy:** The provision and care for 135 pupils aged 4-19 with special educational needs and disabilities. The pupils' primary needs and disabilities are physical, mostly associated with one or more additional needs of a communication, learning, medical or sensory nature. The range of intellectual ability covers the earliest developmental stages to post GCSE.
2. **Residential academy:** The provision of residential opportunities to all pupils at the school at appropriate points in their school careers. There are 18 beds and extended day activities. It is usual for most pupils to have used the residential education, care and social provision by the time they leave.
3. **Assistive Technology:** Leicester City LA commissioned assessment of pupils in other schools, mostly mainstream, to enable their curriculum access through the use of technology. Following assessment, we install the equipment, train the staff and pupils and offer on-going advice and support.
4. **Teaching School:** The academy provides training and placements for a range of professionals and students. Courses can range from half day 'top-ups' for Moving and Handling to regular input on accredited courses and as part of Initial Teacher Training.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Ash Field Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ash Field Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

Members' Liability

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

Trustees' Indemnities

As required by the Companies Act 2006 s236, Ash Field Academy Trust has qualifying third party indemnity provisions of £2million with the Zurich Insurance Company.

Method of Recruitment and Appointment or Election of Trustees

1. The members may appoint up to one trustee save that no more than one third of the total number of individuals appointed as trustees shall be employees of the academy trust (including the Principal).
2. The Local Authority (LA) may appoint the LA trustee in the first instance.
3. The Principal shall be treated for all purposes as an ex officio trustee.
4. The parent trustee(s) shall be elected by parents registered at the academy and must be a parent of a pupil at the academy at the time of the election.
5. The Governing Body shall make all necessary arrangements for, and determine all other matters in relation to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parental trustees which is contested shall be held by secret ballot.
6. The arrangements made for the election of a parent trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the academy trust by a registered pupil at the academy.
7. Where a vacancy for a parent trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.
8. The number of parent trustees required shall be made up by parent trustees appointed to the Governing Body if the number of parents standing for election is less than the number of vacancies.

ASH FIELD ACADEMY TRUST (A company limited by guarantee)

9. In appointing a parent trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
10. The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of staff trustees.
11. The community trustees may be appointed by the Governing Body provided that the person who is appointed as a community trustee is:
 - (a) a person who lives or works in the community served by the academy; or
 - (b) a person who, in the opinion of the Governing Body, is committed to the government and success of the special academy.

Co-opted trustees

12. The trustees may appoint up to two Co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if the number of trustees who are employed by the academy trust (including the Principal) would thereby exceed one third of the total number of trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the academy, an opportunity to spend some time talking to the Principal and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally few new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The academy trust meets as a full board four times a year, the fourth being the Annual General Meeting. In addition there are many visits both formal and informal and electronic communications.

There is one standing committee which has delegated responsibilities for finance, personnel, health and safety and risk management.

The demarcation of decision-making is that the day-to-day running of the school remains the preserve of the Principal. The strategic direction of the school is negotiated and requires the approval of the Board. The academy plan and the associated staff and other resources expenditure within it requires the approval of the trustees as does any expenditure above £10,000.

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

AS PER PART 3 IN ASH FIELD PAY AND CONDITIONS DOCUMENT

- 3.1 The Academy Board Trust will use its own pay scale as a guide. This in turn has used the national STPCD and the local support staff scales as a reference to set a minimum for salary determination and school group size.
- 3.2 All teachers are regarded as leaders and pay will reflect the corporate contribution and sustained high performance made through the outcomes achieved and the level of expertise, responsibility, attitude and care shown towards all pupils and adults working in and associated with the academy.

Annual determination of pay

- 3.3 The Academy Trust Board will seek to agree performance objectives relating to school leadership and management and pupil progress with the Principal. In default of agreement, the Academy Trust Board will set such performance objectives. In either case the Board will appraise the performance of the Principal, taking account of the performance objectives but making a judgement about their overall contribution.
- 3.4 The Academy Trust Board will determine the salary based on this appraisal and of recruitment and retention factors or any factors they think relevant.
- 3.5 The Academy Board Trust will review the pay range whenever they see fit and in response to such circumstances as increased pupil numbers or complexity of the role.
- 3.6 The Principal will make pay recommendations to the Academy Trust Board Committee with responsibility for pay in line with the Appraisal and Capability Policy i.e. following appraisal of objectives and overall performance of all teachers by the relevant appraisers.
- 3.7 The Academy Board Trust will make what decisions they see fit in respect of pay ranges and any movement up the scale having due regard to sustained and substantial performance as above, the relative levels of responsibility, recruitment, retention and affordability. Performance will be evaluated using a combination of judgements based on quality of teaching; pupil outcomes; leadership; support for the corporate ethos, morale and focus of all staff; appraisal objectives; interaction and relationships with pupils, colleagues, parents and other relevant adults; matching and exceeding professional conduct and standards; and quality of paperwork and meeting deadlines.
The Board will use its discretion in respect of temporary points awarded for the completion of particular tasks or roles.
- 3.8 The Board, notwithstanding the overarching consideration of paragraph 3.2 above, will also consider:
If a teacher's duties include a significant responsibility that is not required of all classroom teachers;
the focus on teaching and learning;
the exercise of a teacher's professional skills and judgement;
the requirement to the teacher to lead, manage and develop a subject or curriculum area;
the requirement to lead and manage pupil development across the curriculum;
the impact on the educational progress of pupils other than the teacher's assigned classes or groups of pupils;

ASH FIELD ACADEMY TRUST (A company limited by guarantee)

- the quality and degree of leading, developing and enhancing the teaching practice of other staff;
 - the quality and degree of working with parents and other agencies;
 - if they have a line management responsibility for a significant number of people e.g. leading and managing their performance, capability and discipline;
 - the nature of the work to be undertaken, including any work with teachers from other schools;
 - the degree of challenge of the role;
 - the professional competencies required of the teacher;
 - any care or medical responsibilities; and
 - such other criteria as the Board considers appropriate including time-keeping; professional dress and appearance; goodwill; the quality of the upkeep of the classroom; the quality of work left for cover staff, including planning sufficiently well in advance for a supply teacher to follow a programme of work if absent through illness (teachers may be contacted and asked to send information in if this planning is not readily available in school) and so forth
- 3.9 In the event of a restructuring or reassignment of responsibilities resulting in a lower level of responsibility for a member of staff, this would be confirmed in writing.

Connected Organisations including Related Party Relationships

The academy is a partner in the WELL Trust. This is a trust comprising of six other special schools in Leicester City.

Although the academy works closely with many partners, there are currently no other formal or legal organisations with other organisations.

Objectives and Activities

Objects and Aims

Ash Field Academy Trust's public charitable objects stated in its Articles of Association and the Funding Agreement and are specifically restricted to the following:

- i) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs (" the Special Academy); and
- ii) To promote for the benefit of individuals living in Leicester, Leicestershire and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, Strategies and Activities

These are described in 'Principal Activities' above.

ASH FIELD ACADEMY TRUST (A company limited by guarantee)

Public Benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, '*Charities and Public Benefit*.' The public benefit is as described in 'Objectives and Activities' above.

Strategic Report

Achievements and Performance

Quality of Teaching: Teaching was at least good in nearly all lessons with 47% judged as consistently outstanding. Leaders' judgements about quality of teaching were confirmed as accurate in the last Ofsted inspection and subsequent Challenge Partners reviews.

External Evaluation: Our Challenge Partners review in February 2016 found indicators that we appear to be firmly within the outstanding grade as judged by Ofsted in the previous Ofsted report in June 2013. The LA Annual Performance Dialogue is voluntary for academies. We chose to follow this process and received a judgement of outstanding. An unannounced Ofsted inspection of the residential wing in March 2016 judged our effectiveness in all areas as outstanding.

Relationships with stakeholders: Of the 65 parents who responded to a questionnaire 80% strongly agreed with the statement 'My child is happy at school,' and 20% agreed with statement. There were no formal complaints over the year and relationships with parents were of a high quality. Other key stakeholders including therapists and Social Care remained positive about our work and their involvement with the school.

Keeping Children Safe: Our work in keeping children safe was once again judged as outstanding in our residential inspection (March 2016). There were no serious accidents or incidents and our procedures for risk assessment were improved as a result of improved procedures and staff training.

Financial Management: Clear and detailed financial reports supported governors in financial planning linked to whole school priorities and identified areas for development. Governors were proactive in allocating funds to improve the accommodation and commissioning a Band 5 Clinical Nurse.

Teaching School: An extended offer to schools in the alliance now includes a wider range of professional development and research opportunities. In June 2016 we became a Challenge Partners Hub. This strengthened our peer-to-peer support programme. Seven out of eight Leicester City Special Schools are now part of Challenge Partners and the remaining school will come on board next year. This will enable us to have an understanding of strengths and expertise across the Alliance.

Improvement of School Building and Facilities: We continued to improve the original school building in line with a planned refurbishment programme and school priorities. All teaching spaces are now fit for purpose and most classrooms have been extended. Our residential wing has been improved in line with Ofsted recommendations.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

Contribution to a wider school-led system: We provided school-to-school support in more than ten schools in Leicester and across the region with evaluations that demonstrated they had a positive impact on school improvement. The Deputy Principal continued to offer support as a governor at a school where she had been the co-head and subsequently the school moved from requiring improvement to good. School leaders were driven by a moral imperative to work with other schools in difficulty. The Principal spent approximately 30 days last year providing leadership support at a special school where there had been a tragic incident. This work was praised by the school and also by Senior Leaders at the Local Authority.

Key Performance Indicators

- Ensure quality of teaching is good with 50% of lessons outstanding – achieved
- Maintain overall judgement of outstanding in external inspections and reviews including those by Ofsted and Challenge Partners – achieved
- Increase research opportunities for staff and students – achieved
- Increase Teaching School offer by becoming a Challenge Partners hub - achieved
- Introduce the MOVE programme and achieve MOVE Quality Mark - achieved

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, the Academy received total funding of £4,435,644 compared to total resources expended of £4,649,438.

Reserves Policy

The amount of unrestricted reserves: £689,846

- These reserves are held to cover future recurring expenditure in the event of funding being disrupted and to build reserves for refurbishment of the primary block in line with BSF criteria.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

The amount of restricted reserves that are available for the general purposes of the Trust subject to restrictions imposed under the terms of each funding stream:

GAG:	£20,400
Other DFE/EFA grants:	£53,879

The amount of any material designated funds (i.e. funds earmarked for specific purposes):

School Fund:	£247,031
--------------	----------

- These reserves are earmarked towards the refurbishment of the school and for any major equipment or building works required.

The amount of funds that can only be realised by disposing of fixed assets (e.g. value of fixed asset fund): £7,161,894

The amount of reserves in deficit (Pension deficit and any others): £2,730,000.

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

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to 3 months' expenditure, which is approximately £900,000. 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. The academy's current level of unrestricted reserves is £689,846.

The level of restricted funds at the year end, excluding the restricted fixed asset fund; endowment fund and the pension reserve amounted to £321,310.

Investment Policy

There are no investments other than bank deposits held.

Principal Risks and Uncertainties

Below are some of the major issues and risks facing the academy:

1. Changing school roles

The ratcheting of all schools whereby the more able disabled are in mainstream and there is a broadening of the spectrum in special schools. This means amongst other things:

- New demands on professional development, skills and knowledge, ranging from new pedagogies to medical intervention
- More demand on emotional resilience with a high prevalence of progressive conditions
- Staff who are primarily employed to aid teaching spending more time on personal care and medical support
- More demand on space, equipment and staffing levels
- Improving as a school whilst attainment standards decline
- Special schools are full

2. The need for the integration of education, health and social care provision

There remains a lack of shared accountability, responsibility and pooling of funding and resources for children in special schools and specifically for children with complex health needs.

3. Recruitment and Succession Planning

When last surveyed, 43% of special school headships and 29% of deputy headships were re-advertised, significantly higher than other phases. There also appears to be an increasing reluctance for staff to undertake middle leadership positions.

4. The Children and Families Bill

- Integrated services - joint accountability, provision and funding?
- Parental choice - impact on schools and services of placement and personal budgets
- Fewer children designated as SEN
- The Education and Health Care Plan 0-25
- Health and Wellbeing Boards
- The apparent difference in the legislation requirements to provide for pupils with SEN between education and health

5. Ofsted Framework

The new Ofsted Framework and a view from Ofsted that too many special schools nationally are judged as 'outstanding'.

In addition:

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The trustees have implemented a number of systems to assess risks that the

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school visits) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls.

Based on the strategic plan, the Finance, Facilities and General Purpose Committee in its role as the Risk Management Committee undertakes a comprehensive review of the risks to which the academy is exposed. The Committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Risk Management Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

A risk register, covering low, medium and high level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the academy. In addition, Heads of Department and Principals incorporate risk management in their self-assessment reports and quality improvement plans.

The principal risk factors are listed under 'Risk Management' above. Not all factors, however, are within the academy's control and other factors besides those listed may also adversely affect the academy.

1. Government funding

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

<p>ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

The risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of the Academy Accounts Direction.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by:

- Ensuring the academy delivers high quality education and training;
- Maintaining outstanding success rates and good inspection outcomes; and
- Investing in its teaching staff and resources

With ongoing commitment to quality, the academy now provides market-leading learning environments with state of the art technology and specialist resources.

This places the academy in an excellent position to attract new pupils.

Plans for Future Periods

In summary the key elements are:

- Main school refurbishment
- Create additional learning spaces for pupils with highly complex needs
- Implementation of the school plan

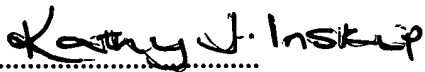
ASH FIELD ACADEMY TRUST (A company limited by guarantee)

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees on 2 December 2016 and signed on its behalf by:



Kathy Inskip
Chair of Trustees

ASH FIELD ACADEMY TRUST (A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Ash Field 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 Trustees have delegated the day-to-day responsibility to the Head Teacher, 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 Ash Field Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the 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 Trustees have formally met four times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jane Booth	3	3 (Not including AGM)
Kathy Inskip	3	3 (Not including AGM)
Allan Dunsmore	3	3 (Not including AGM)
Barry Moore	3	3 (Not including AGM)
Rebecca Wade	1	3 including AGM as that was when elected
Rupert Mingay	2	3 (Not including AGM)
Barney Thorne	1	1 (Not including AGM)
Sue Orme	3	3 (Not including AGM)
Jane Lynch	3	3 (Not including AGM)
Amy Cubitt	3	3 (Not including AGM)

<p style="text-align: center;">ASH FIELD ACADEMY TRUST (A company limited by guarantee)</p>

Review of Value for Money

As accounting officer the Head Teacher 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 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's 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 Ash Field Academy Trust for the year ended 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 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.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees' Report;
- regular reviews by the Finance, Audit and Premises 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.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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 appointed Duncan & Toplis Limited, Louth office, to perform additional audit procedures which complement their role of external auditor.

The appointee's roles include giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a quarterly basis, the appointees report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

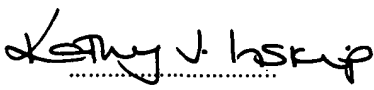
Review of Effectiveness

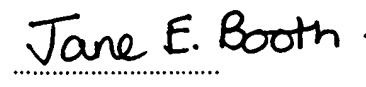
As Accounting Officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel 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 2 December 2016 and signed on its behalf by:


.....
Kathy Inskip
Chair of Trustees


.....
Jane Booth
Accounting Officer

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ash Field Academy Trust I have considered my responsibility to notify the Academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust 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 Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook.

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 the EFA.

Jane E. Booth

.....
Jane Booth
Accounting Officer
Date: 2 December 2016

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Governors of Ash Field Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

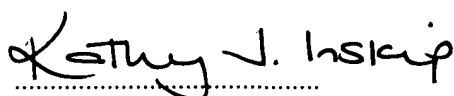
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The 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 Trustees on 2 December 2016 and signed on their behalf by:



Kathy Inskip
Chair of Trustees

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

We have audited the financial statements of Ash Field Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

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.

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.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

2nd December 2016

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ASH FIELD
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 November 2014 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 Ash Field 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 Ash Field Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ash Field Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ash Field Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ASH FIELD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Ash Field Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

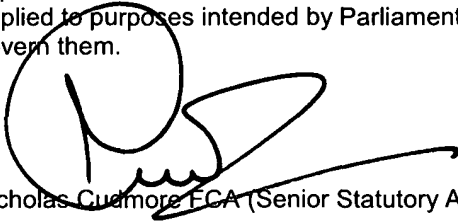
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ASH FIELD
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during 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.



Nicholas Cuemore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 2nd December 2016

ASH FIELD 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 £
INCOME FROM:						
Donations and capital grants	2	-	15,723	8,185	23,908	18,064
Charitable activities	3	-	4,345,885	-	4,345,885	3,824,433
Other trading activities	4	63,916	1,250	-	65,166	218,690
Investments	5	685	-	-	685	1,420
TOTAL INCOME		64,601	4,362,858	8,185	4,435,644	4,062,607
EXPENDITURE ON:						
Charitable activities		7,161	4,442,378	199,899	4,649,438	4,320,302
TOTAL EXPENDITURE	8	7,161	4,442,378	199,899	4,649,438	4,320,302
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	57,440 (113,892)	(79,520) (271,510)	(191,714) 385,402	(213,794) -	(257,695) -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		(56,452)	(351,030)	193,688	(213,794)	(257,695)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(550,000)	-	(550,000)	71,000
NET MOVEMENT IN FUNDS		(56,452)	(901,030)	193,688	(763,794)	(186,695)
RECONCILIATION OF FUNDS:						
Total funds brought forward		746,298	(1,507,660)	6,968,206	6,206,844	6,393,539
TOTAL FUNDS CARRIED FORWARD		689,846	(2,408,690)	7,161,894	5,443,050	6,206,844

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07988444

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		7,153,709		6,968,206
CURRENT ASSETS					
Debtors	16	112,430		72,761	
Cash at bank and in hand		1,192,831		1,351,844	
		<u>1,305,261</u>		<u>1,424,605</u>	
CREDITORS: amounts falling due within one year	17	(285,920)		(179,967)	
NET CURRENT ASSETS			<u>1,019,341</u>		<u>1,244,638</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,173,050</u>		<u>8,212,844</u>
Defined benefit pension scheme liability	23		<u>(2,730,000)</u>		<u>(2,006,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,443,050</u></u>		<u><u>6,206,844</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	321,310		498,340	
Restricted fixed asset funds	18	7,161,894		6,968,206	
		<u>7,483,204</u>		<u>7,466,546</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(2,730,000)</u>		<u>(2,006,000)</u>	
Total restricted funds			<u>4,753,204</u>		<u>5,460,546</u>
Unrestricted funds	18		<u>689,846</u>		<u>746,298</u>
TOTAL FUNDS			<u><u>5,443,050</u></u>		<u><u>6,206,844</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2016 and are signed on their behalf, by:


Kathy Inskip
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>205,795</u>	<u>237,881</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		685	1,134
Proceeds from the sale of tangible fixed assets		11,724	-
Purchase of tangible fixed assets		(385,402)	(233,327)
Capital grants from DfE/EFA		8,185	7,983
Net cash used in investing activities		<u>(364,808)</u>	<u>(224,210)</u>
Change in cash and cash equivalents in the year		<u>(159,013)</u>	<u>13,671</u>
Cash and cash equivalents brought forward		<u>1,351,844</u>	<u>1,338,173</u>
Cash and cash equivalents carried forward		<u><u>1,192,831</u></u>	<u><u>1,351,844</u></u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

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.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Ash Field 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 Ash Field 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 28.

1.2 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 the Department for Education 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.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 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 incorporating income and expenditure account 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 incorporating income and expenditure account 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 incorporating income and expenditure account 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All resources expended are inclusive of irrecoverable VAT.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 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..

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

L/Term Leasehold Property	-	2% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 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.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 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 23, 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.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16 - 19 bursary funds from EFA. The trust can use an element of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grants	-	-	8,185	8,185	7,983
Other voluntary income	-	15,723	-	15,723	10,081
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	15,723	8,185	23,908	18,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds and £18,064 was to restricted funds (including fixed asset fund).

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,333,424	1,333,424	1,354,954
Pupil Premium	-	71,448	71,448	68,612
Other DfE/EFA Revenue grants	-	37,829	37,829	81,081
	-	1,442,701	1,442,701	1,504,647
Other government grants				
Other Local Authority revenue grants	-	2,903,184	2,903,184	2,319,488
	-	2,903,184	2,903,184	2,319,488
Other funding				
Other income capital	-	-	-	298
	-	-	-	298
	-	4,345,885	4,345,885	3,824,433

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £3,824,433 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	7,161	-	7,161	6,112
Receipts from staff insurance claims	-	1,250	1,250	147,043
Other income - facilities & services	56,755	-	56,755	65,535
	63,916	1,250	65,166	218,690

In 2015, of the total income from other trading activities, £71,647 was to unrestricted funds and £147,043 was to restricted funds.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank account interest	685	-	685	1,420

In 2015, of the total investment income, £1,420 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	202,484	202,484	145,539
Technology costs	77,886	77,886	43,529
Examination fees	2,435	2,435	3,077
Staff Development	31,119	31,119	22,207
Educational consultancy	96,096	96,096	85,195
Other costs	146,013	146,013	189,086
Wages and salaries	2,322,183	2,322,183	2,140,111
National insurance	158,319	158,319	122,199
Pension cost	462,133	462,133	540,308
Depreciation	199,899	199,899	197,026
	<u>3,698,567</u>	<u>3,698,567</u>	<u>3,488,277</u>

In 2015, the Academy incurred the following Direct costs:

£3,488,277 in respect of Funding for the Academy's educational operations

£NIL in respect of Provision of boarding activities

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

7. SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Pension finance income less expenses	78,000	78,000	72,000
Technology costs	11,589	11,589	45,846
Maintenance of premises and equipment	168,664	168,664	59,988
Cleaning	83,054	83,054	73,715
Rent and rates	10,613	10,613	8,938
Energy costs	51,461	51,461	49,831
Insurance	83,859	83,859	119,196
Transport	12,388	12,388	13,690
Telephone, postage and stationery	33,335	33,335	35,032
Catering	72,754	72,754	67,423
Other costs	42,530	42,530	29,965
Auditors' remuneration	16,850	16,850	14,168
Legal and professional fees	7,671	7,671	9,099
Wages and salaries	207,304	207,304	186,792
National insurance	15,624	15,624	11,346
Pension cost	55,175	55,175	34,495
	<u>950,871</u>	<u>950,871</u>	<u>831,524</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£24,521 (2015 - £23,267) included within the table above in respect of Funding for the Academy's educational operations.

£NIL (2015 - £NIL) included within the table above in respect of Provision of boarding activities.

In 2015, the Academy incurred the following Support costs:

£808,257 in respect of Funding for the Academy's educational operations

£NIL in respect of Provision of boarding activities

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Funding for the Academy's educational operations:					
Direct costs	2,942,635	93,562	662,370	3,698,567	3,488,277
Support costs	278,103	603,664	69,104	950,871	831,524
	<u>3,220,738</u>	<u>697,226</u>	<u>731,474</u>	<u>4,649,438</u>	<u>4,319,801</u>

In 2016, of the total expenditure, £7,161 (2015 - £Nil) was to unrestricted funds and £4,642,277 (2015 - £4,319,801) was to restricted funds.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	188,175	197,026
Operating lease rentals	26,339	8,935
	<u> </u>	<u> </u>

10. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Academy's auditor and its associates in respect of:		
The auditing of accounts of associates of the Academy	6,500	6,500
Audit-related assurance services	10,350	7,668
	<u> </u>	<u> </u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,321,217	2,176,932
Social security costs	173,943	133,545
Operating costs of defined benefit pension schemes	517,308	574,803
	<u>3,012,468</u>	<u>2,885,280</u>
Supply teacher costs	208,270	149,971
	<u>3,220,738</u>	<u>3,035,251</u>

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

	2016 No.	2015 No.
Management	1	1
Teaching	24	21
Administration and support	105	101
	<u>130</u>	<u>123</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	0	1
In the band £70,001 - £80,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year, pension contributions for the members of staff amounted to £31,647 (2015 - £26,244).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £440,816 (2015 - £370,906).

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

12. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other 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 fell within the following bands:

	2016 £'000	2015 £'000
Mrs J Booth - Principal		
Remuneration	120-125	115-120
Employer's pension	15-20	15-20
Mrs J Lynch - Staff Trustee		
Remuneration	30-35	25-30
Employer's pension	5-10	5-10
Miss A Cubitt - Staff Trustee		
Remuneration	0	0
Employer's pension	25-30	0
Staff Trustee (resigned)		
Remuneration	0-5	0
Employer's pension	0	20-25
	0	0-5

During the year, no Trustees received any benefits in kind (2014 - £Nil).

During the year, expenses totalling £437 (2015 - £501) were reimbursed to one Trustee (2015 - one).

13. TRUSTEES' AND OFFICERS' INSURANCE

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £891 (2015 - £794).

14. OTHER FINANCE INCOME (EXPENSE)

	2016 £	2015 £
Expected return on pension scheme assets	93,000	74,000
Interest on pension scheme liabilities	(171,000)	(146,000)
	<u>(78,000)</u>	<u>(72,000)</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

15. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	7,240,876	158,429	101,360	7,500,665
Additions	365,071	13,291	7,040	385,402
Disposals	-	-	(39,013)	(39,013)
At 31 August 2016	<u>7,605,947</u>	<u>171,720</u>	<u>69,387</u>	<u>7,847,054</u>
Depreciation				
At 1 September 2015	437,937	39,943	54,579	532,459
Charge for the year	135,313	31,906	20,956	188,175
On disposals	-	-	(27,289)	(27,289)
At 31 August 2016	<u>573,250</u>	<u>71,849</u>	<u>48,246</u>	<u>693,345</u>
Net book value				
At 31 August 2016	<u>7,032,697</u>	<u>99,871</u>	<u>21,141</u>	<u>7,153,709</u>
At 31 August 2015	<u>6,802,939</u>	<u>118,486</u>	<u>46,781</u>	<u>6,968,206</u>

All of the tangible fixed assets are used for educational purposes.

Included in Leasehold Property is land valued at £483,000 (2015 - £483,000) which is not depreciated.

Additions to leasehold property in the current year comprise building works on the existing school site and not the acquisition of new land or buildings.

16. DEBTORS

	2016 £	2015 £
Trade debtors	5,186	935
Other debtors	68,256	35,599
Prepayments and accrued income	38,988	36,227
	<u>112,430</u>	<u>72,761</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	44,439	166,769
Accruals and deferred income	241,481	13,198
	<u>285,920</u>	<u>179,967</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	3,098	5,662
Resources deferred during the year	35,886	3,098
Amounts released from previous years	(3,098)	(5,662)
Deferred income at 31 August 2016	<u>35,886</u>	<u>3,098</u>

Deferred income relates to free school meal grants received which relate in part to the year ended 31 August 2017, and £33,336 of bursary funding not yet distributed.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	746,298	64,601	(7,161)	(113,892)	-	689,846
Restricted funds						
General Annual Grant (GAG)	233,652	1,333,424	(1,275,166)	(271,510)	-	20,400
Other DfE/EFA grants	9,276	109,277	(64,674)	-	-	53,879
Government grants	1,867	2,854,215	(2,856,082)	-	-	-
Other income	-	65,601	(65,601)	-	-	-
School Fund	253,545	341	(6,855)	-	-	247,031
Pension reserve	(2,006,000)	-	(174,000)	-	(550,000)	(2,730,000)
	<u>(1,507,660)</u>	<u>4,362,858</u>	<u>(4,442,378)</u>	<u>(271,510)</u>	<u>(550,000)</u>	<u>(2,408,690)</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/EFA capital grants	26,148	8,185	(4,600)	-	-	29,733
Government capital grant	291,111	-	(26,942)	-	-	264,169
Capital expenditure from GAG	300,953	-	(6,421)	-	-	294,532
Capital expenditure from other income	6,349,994	-	(161,936)	385,402	-	6,573,460
	<u>6,968,206</u>	<u>8,185</u>	<u>(199,899)</u>	<u>385,402</u>	<u>-</u>	<u>7,161,894</u>
Total restricted funds	<u>5,460,546</u>	<u>4,371,043</u>	<u>(4,642,277)</u>	<u>113,892</u>	<u>(550,000)</u>	<u>4,753,204</u>
Total of funds	<u>6,206,844</u>	<u>4,435,644</u>	<u>(4,649,438)</u>	<u>-</u>	<u>(550,000)</u>	<u>5,443,050</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DFE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £463,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £550,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

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.

19. 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	-	-	7,153,709	7,153,709	6,968,206
Current assets	689,846	607,230	8,185	1,305,261	1,424,605
Creditors due within one year	-	(285,920)	-	(285,920)	(179,967)
Provisions for liabilities and charges	-	(2,730,000)	-	(2,730,000)	(2,006,000)
	<u>689,846</u>	<u>(2,408,690)</u>	<u>7,161,894</u>	<u>5,443,050</u>	<u>6,206,844</u>

20. 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)	(213,794)	(257,695)
Adjustment for:		
Depreciation charges	188,175	197,026
Losses on investments	(685)	(1,134)
(Increase)/decrease in debtors	(39,669)	34,483
Increase in creditors	105,953	90,184
Capital grants from DfE and other capital income	(8,185)	(7,983)
LGPS adjustments	174,000	183,000
Net cash provided by operating activities	<u>205,795</u>	<u>237,881</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank	1,192,831	1,351,844
Total	<u>1,192,831</u>	<u>1,351,844</u>

22. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government grant was received, the Academy is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of state sums determined by reference to:

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23. 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 Leicestershire County Council. Both are Multi-employer 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% 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 £133,216 (2015 - £113,984).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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 £369,000 (2015 - £423,000), of which employer's contributions totalled £289,000 (2015 - £348,000) and employees' contributions totalled £80,000 (2015 - £75,000). The agreed contribution rates for future years are 19.8% for employers and 5.5% to 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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,277,000	1,497,000
Debt instruments	569,000	477,000
Property	285,000	250,000
Cash	31,000	45,000
Total market value of assets	<u>3,162,000</u>	<u>2,269,000</u>

The actual return on scheme assets was £93,000 (2015 - £74,000).

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)	(385,000)	(358,000)
Net interest cost	(78,000)	(72,000)
Past service cost	-	(101,000)
Total	<u>(463,000)</u>	<u>(531,000)</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	4,275,000	3,713,000
Current service cost	385,000	358,000
Interest cost	171,000	146,000
Contributions by employees	80,000	75,000
Actuarial losses/(gains)	981,000	(67,000)
Past service costs	-	101,000
Benefits paid	-	(51,000)
	<u>5,892,000</u>	<u>4,275,000</u>
Closing defined benefit obligation	<u>5,892,000</u>	<u>4,275,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,269,000	1,819,000
Interest income	93,000	74,000
Actuarial gains and (losses)	431,000	4,000
Contributions by employer	289,000	348,000
Contributions by employees	80,000	75,000
Benefits paid	-	(51,000)
	<u>3,162,000</u>	<u>2,269,000</u>
Closing fair value of scheme assets	<u>3,162,000</u>	<u>2,269,000</u>

24. 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 £
Amounts payable:		
Within 1 year	26,339	8,934
Between 1 and 5 years	71,853	11,168
	<u>98,192</u>	<u>20,102</u>
Total	<u>98,192</u>	<u>20,102</u>

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no such transactions during the year.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16 - 19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £56,000 and disbursed £22,664 from the fund. Undistributed funds of £33,336 at the year end were included within deferred income.

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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

28. 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.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		6,393,539	6,206,844
Total funds reported under FRS 102		<u>6,393,539</u>	<u>6,206,844</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(221,695)
Change in recognition of LGPS interest cost	A	35,000
Net movement in funds reported under FRS 102		<u>(186,695)</u>

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

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £35,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
---	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

29. CONTROLLING PARTY

The trustees have ultimate control of the Academy.