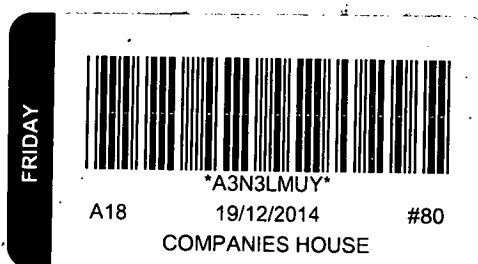

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

Ash Field Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014



Company Registration Number:
07988444 (England and Wales)

ASH FIELD ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr Haydn Gopsill, Chair of Trustees (ended 5.12.13)	Trustee, Member, Director, Community Governor (position ended 09.12.13)
Ms Kathy Inskip, Chair of Trustees (started 05.12.13)	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 Rupert Mingay	Trustee, Director, Parent Governor
Mrs Barbara Mingay	Trustee, Director, Parent Governor
Mr Hussein Elgar	Trustee, Director, LA Governor
Mrs Helen Rackley	(position ended 28.11.13) Trustee, Director, Teaching Staff Governor
Mrs Jane Lynch	Trustee, Director, Support Staff Governor
Mrs Sue Orme	Trustee, Director, Parent Governor

Company Secretary

Miss Julie Aquilina

Senior leadership team

David Bateson, Executive Principal (resigned 31.03.14)
Jane Booth, Principal
Rhian Richardson, Deputy Principal
Helen Newton, Vice Principal (resigned 25.08.14)
Sarah Naylor, Vice Principal
Julie Aquilina, Business Manager
Bev Snow, Head of Residential Care

Registered Office

Ash Field Academy Trust
Broad Avenue
Leicester
LE5 4PY

Company Registration Number

07988444

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Auditors	Duncan and Toplis Limited Chartered Accountants and Statutory Auditors 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

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TRUSTEES REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 19 serving a catchment area in Leicester, Leicestershire, Rutland and Northamptonshire. It has a pupil capacity of 125 and had a roll of 125 in the school census on 16 January 2014.

Structure, Governance and Management

Constitution

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

The trustees of Ash Field Academy Trust are also 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 throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Principal Activities

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

- 1 **Day academy:** The provision of education and care for 125 pupils aged 4-19 with special educational needs and disabilities. The pupil's primary needs and disabilities are physical, mostly associated with one or more additional needs of a communication, learning, medical, sensory or emotional nature. The range of intellectual ability covers the earliest developmental stages to post GCSE.

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- 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 all pupils to have used the residential education, care and social provision by the time they leave and for about 70% to use it in any one year.
- 3 **Assistive Technology Assessment Centre:** The 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 and train the staff and pupils. There are currently more than 500 pupils assisted in this way and more than 1400 since the service was first provided.
- 4 **Regional Professional Development Centre:** The academy provides training and placements for a range of professionals and students. Provision is made in partnership and alone for significant numbers which have reached 5000 in previous years. Courses can range from half day 'top-ups' for Moving and Handling to lengthy accredited courses such as modules of Masters' degrees.
- 5 **Partnership working:** The academy has led on a ground-breaking multi-school, university and other partner trust; is a National Support School; has provided advice and contributions to many national and regional bodies and has entertained visitors from more than 20 countries.

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 LA may appoint the LA trustee in the first instance.
3. The Principal shall be treated for all purposes as being an ex officio trustee.
4. The Executive Principal shall be treated for all purposes as an ex officio trustee.
4. The parent trustee(s) shall be elected by parents of registered pupils at the academy and must be a parent of a pupil at the academy at the time of election.
5. The Governing Body shall make all necessary arrangements for, and determine all other matters relating 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 parent 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.

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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 special 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 by the Governing Body if the number of parents standing for election is less than the number of vacancies.
9. In appointing a parent trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the special 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.

The trustees may not appoint an employee of the academy trust as a community 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.

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 and the chance to meet with staff and students.

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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. All trustees are linked with named staff and areas of provision in the academy.

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 executive principal and 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 resource expenditure within it require the approval of the trustees as does any expenditure above £10,000 requires trustee approval.

The Executive Principal is the accounting officer (until 31 March 2014). After this date the Principal takes on this role.

Risk Management

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

EVALUATION: National climate, the landscape and some effects

1. Conflation of under-achievement and SEND

Ofsted and the government are pointing to the over-identification of SEN. In a sense this need not matter if one only judges progress using age and prior attainment. Conversely, the use of a label can lower expectations. Perhaps more importantly it leads to the impression of SEND as a group. This does a disservice to those with complex disabilities and cognitive impairment where an expectation to 'close the gap' is a very different demand to someone who is under-achieving because of their special needs. It also fails to recognise the complexities of those who do not have significant cognitive impairment but have physical and medical conditions which restrict the speed and amount of evidence they can produce by the standard ages. This makes them appear failures despite their heroic efforts.

2. Growing numbers of pupils with complex difficulties who survive longer

0.7% of the population (2.7% have statements, up to 20% are identified as having SEN) have very complex needs. This level of incidence is growing (Barry Carpenter, Office for National Statistics, various international studies) due to medical advance in early term births and subsequent care and due to other factors

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such as new conditions or those syndromes being recognised for the first time e.g. foetal alcohol syndrome. Not only is this population growing but the general population is rising to an estimated 70 million in 2028. This has a number of implications for provision, including those below.

3. Changing school rolls and 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 higher prevalence of progressive conditions
- Staff who are primarily employed to aid teaching spending more time on personal care and medical support
- More child absence and more children with physical and mental stamina issues
- More demand on space, equipment and staffing levels
- Improving as a school whilst attainment standards decline
- Special schools are full

4. 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.

5. Post school provision and 19-25

The issue of what we prepare young people for whether that be employment or a productive and engaged life without employment.

6. Leadership development

When last surveyed, 43% of special school headships and 29% of deputy headships were re-advertised, significantly higher than other phases. This is due to a lot of factors, not least the low incidence of special schools and the impact of the housing market on mobility but also the grouping of special schools as though they are a common phase. They are united in their disparateness and the legal process of admissions and statementing.

7. Learning

The need, as above, for new approaches to enable pupil learning and for the concomitant adult learning. It is a truly strange phenomenon that specialist training is not required for the most complex children.

8. A pluralist system for education and health

The requirements for new productive partnerships in an age of autonomy, the declining role of LAs new legal statuses for schools, GP consortia and Health and Wellbeing Boards.

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9. The forthcoming Children's and Families' Bill (draft):

- 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
- The Local Offer
- Health and Wellbeing Boards
- The big question will be whether or not health providers are going to have the same legislative requirement to provide for SEND that education has?

10. School Funding Reform:

- The 3 elements of High Needs funding
- The impact on LAs of further delegation and the end of LACSEG
- The impact on referrals and provision resulting from the drive to reduce labelled pupils with SEN and
- The mainstream response to issues of funding around that
- The combined effects of both above on the movement towards equally funded places across maintained, non-maintained, free, academy and independent schools

11. The Health and Social Care Bill

12. De-regularisation of national pay and conditions, new appraisal, changes to pensions

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 academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) 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.

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Connected Organisations, including Related Party Relationships

Whilst the academy works closely with many partners, there are currently no formal or legal arrangements with other organisations, although these are expected to take place when the academy is invited to be a partner in the WELL Trust.

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 as described in 'Principal Activities' above.

Public Benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 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

The main achievements since the opening of the academy have been:

Teaching School

Our application was successful and we became a Teaching School in April 2013. We aim, with our strategic partners, to develop the capacity in the education system to meet the needs of underachieving pupils and those with SEND. Our partners include thirteen schools including mainstream primary, secondary and special schools.

Schools Building Programme

The new building for secondary and further education students opened in August 2014. This provides seven purpose built classrooms, a communal space, a staff room and a teaching and learning observatory. This will improve quality of the learning environment and increase pupils' learning time. As a result of our commitment to the programme, this has impacted on in year commitments in the following areas: building costs/refurbishment, furniture and ICT.

Residential Inspection

An unannounced Ofsted inspection of the residential wing in February 2014 judged our effectiveness in all areas as outstanding.

School To School Support

David Bateson and Rhian Richardson provided leadership at Carlton Digby School in Nottingham. The school moved from judgement of 'requires improvement' to 'good' in recent Ofsted inspection.

Some highlights have been:

- Participation in National Youth Games at Stoke Mandeville;
- New build ground breaking event;
- International links including; staff visit to Khushboo School in India, involvement in Comenius project;
- Fund raising events including; Sports' Relief and Children in Need. Both events were reported in local media and on BBC television;
- Overall judgement of outstanding in Challenge Partners Review (February 2014); and
- Involvement of staff and pupils in Wheelchair Simulator Project with DeMontfort University

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Key Performance Indicators

Our priorities in this time were:

- Ensure quality of teaching continues to be at least good or better in all lessons – achieved
- Obtain Teaching School Status – achieved
- Maintain overall judgement of outstanding in all external inspections – achieved
- Increase outward facing work by providing leadership support for schools locally and nationally – achieved
- Increase research opportunities for staff and students – achieved

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, the Academy received total funding of £4,011,780 compared to total resources expended of £4,021,492 to give a deficit for the year before pension scheme movements of £9,712.

Taking into account the surplus brought forwards from last year/inherited from the former local authority school, the academy has £1,355,634 in accumulated reserves carried forwards.

Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the 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

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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 £738,766.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £616,868.

The reserves this year includes figures for future projects, including:

- Building work which will exceed £700,000.00;

Investment Policy

There are no investments other than bank deposits held.

Principal Risks and Uncertainties

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.

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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.

This 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 FRS 17.

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

- Teaching School
- Main School Refurbishment
- Implementation of School Plan
- Website update

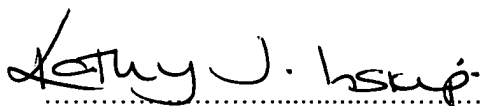
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Auditor

Insofar as the trustee are aware:

- there is no relevant audit information of which the charitable companys' auditor is unaware; and
- the trustees have taken all step that they ought to have taken to make themselves aware of an relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporation a strategic report, approved by order of the board of trustees, as the company directors, on 5 December 2014 and signed on the board's behalf by:



Kathy Inskip
Chair of Trustees

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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 board of trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ash Field Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mr Haydn Gopsill	2	2
Ms Kathy Inskip	4	4
Mrs Jane Booth	4	4
Mr Rupert Mingay	1	4
Mr Hussain Elgar	0	4
Mrs Helen Rackley	1	4
Mrs Jane Lynch	4	4
Mrs Sue Orme	3	3
Mr David Bateson	3	3
Mr Allan Dunsmore	3	3

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in

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Ash Field Academy Trust for the year ended 31 August 2014 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 year ending 31 August 2014 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 board of trustees;
- regular reviews by the Finance and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have made the following appointments:

Tim Godson, Duncan and Toplis Limited Boston office as Responsible Officer ('RO');
Nick Cudmore, Duncan & Toplis Limited, Louth office as external auditor.

The appointees 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

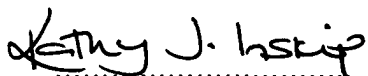
The accounting officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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- 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.

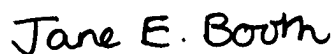
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5th December 2014 and signed on its behalf by:



Kathy Inskip

Chair of Trustees



Jane Booth

Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

Jane E. Booth

.....
Jane Booth
Accounting Officer

5th December 2014

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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 Direction published 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 the affairs of the charitable company and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

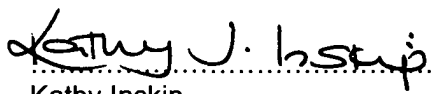
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 5th December 2014 and signed on its behalf by:


Kathy Inskip
Chair of Trustee

ASH FIELD ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF ASH FIELD ACADEMY

We have audited the financial statements of Ash Field Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 Trustees' responsibilities statement, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

ASH FIELD ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF ASH FIELD ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Nicholas Cudmore FCA
Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
5 December 2014

Duncan & Toplis Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ASH FIELD ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 24 April 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ash Field Academy during the year 1 September 2013 to 31 August 2014 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 and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ash Field Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ash Field Academy and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Ash Field Academy's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

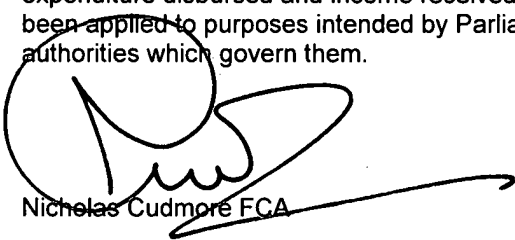
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

ASH FIELD ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASH FIELD
ACADEMY 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

5 December 2014

ASH FIELD ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	274,217	-	274,217	4,500
Activities for generating funds	3	31,424	19,686	-	51,110	26,507
Investment income	4	2,095	-	-	2,095	1,517
Funding for the Academy's educational operations		-	3,676,409	7,949	3,684,358	3,619,190
Transfer from predecessor school	6	-	-	-	-	449,000
TOTAL INCOMING RESOURCES		33,519	3,970,312	7,949	4,011,780	4,100,714
RESOURCES EXPENDED						
Charitable activities:						
Funding for the Academy's educational operations		-	3,748,401	152,327	3,900,728	3,357,262
Other costs of activities		-	94,310	-	94,310	-
Governance costs	8	-	26,454	-	26,454	15,263
TOTAL RESOURCES EXPENDED	11	-	3,869,165	152,327	4,021,492	3,372,525
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		33,519	101,147	(144,378)	(9,712)	728,189

ASH FIELD ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	21	-	(27,023)	27,023	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		33,519	74,124	(117,355)	(9,712)	728,189
Actuarial gains and losses on defined benefit pension schemes		-	(598,000)	-	(598,000)	14,000
NET MOVEMENT IN FUNDS FOR THE YEAR		33,519	(523,876)	(117,355)	(607,712)	742,189
<i>Total funds at 1 September 2013</i>		<i>705,247</i>	<i>(753,256)</i>	<i>7,049,260</i>	<i>7,001,251</i>	<i>6,259,062</i>
TOTAL FUNDS AT 31 AUGUST 2014		738,766	(1,277,132)	6,931,905	6,393,539	7,001,251

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	18		6,931,905	6,712,129
CURRENT ASSETS				
Debtors	19	107,244	290,708	
Cash at bank and in hand		1,338,173	1,712,716	
		<u>1,445,417</u>	<u>2,003,424</u>	
CREDITORS: amounts falling due within one year	20	(89,783)	(500,302)	
NET CURRENT ASSETS			<u>1,355,634</u>	<u>1,503,122</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,287,539</u>	<u>8,215,251</u>
Defined benefit pension scheme liability	28	(1,894,000)		(1,214,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,393,539</u></u>	<u><u>7,001,251</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	21	616,868	460,744	
Restricted fixed asset funds	21	6,931,905	7,049,260	
Restricted funds excluding pension liability		<u>7,548,773</u>	<u>7,510,004</u>	
Pension reserve		<u>(1,894,000)</u>	<u>(1,214,000)</u>	
Total restricted funds			<u>5,654,773</u>	<u>6,296,004</u>
Unrestricted funds	21		<u>738,766</u>	<u>705,247</u>
TOTAL FUNDS			<u><u>6,393,539</u></u>	<u><u>7,001,251</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2014 and are signed on their behalf, by:

MS. 
KJF Mrs K Inskip - Chair of Trustees
Chair of Trustees

The notes on pages 28 to 48 form part of these financial statements.

ASH FIELD ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	23	(4,535)	819,804
Returns on investments and servicing of finance	24	2,095	1,517
Capital expenditure and financial investment	24	(372,103)	(108,624)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(374,543)	712,697

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(374,543)	712,697
MOVEMENT IN NET FUNDS IN THE YEAR	(374,543)	712,697
Net funds at 1 September 2013	1,712,716	1,000,019
NET FUNDS AT 31 AUGUST 2014	1,338,173	1,712,716

The notes on pages 28 to 48 form part of these financial statements.

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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 one year from the date of approval of 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those 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 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Taxation

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

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.9 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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	-	-	4,500
Other voluntary income	-	274,217	274,217	-
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	274,217	274,217	4,500
	<hr/>	<hr/>	<hr/>	<hr/>

Other voluntary income is in respect of the transfer of the School Fund balance to the Academy. The School Fund was previously accounted for separately.

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering income	7,527	-	7,527	7,420
Receipts from staff insurance claims	4,294	19,686	23,980	-
Other income	19,603	-	19,603	19,087
	<u>31,424</u>	<u>19,686</u>	<u>51,110</u>	<u>26,507</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank account interest	2,095	-	2,095	1,517

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	3,684,358	3,684,358	3,619,190

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,406,651	1,406,651	2,667,765
Pupil Premium	-	42,719	42,719	30,223
Other DfE/EFA Revenue grants	-	1,853	1,853	7,600
Devolved Formula Capital grant	-	7,949	7,949	7,611
Other Local Authority revenue grants	-	2,159,885	2,159,885	905,991
Other government revenue grants	-	13,328	13,328	-
Other income revenue	-	51,973	51,973	-
	<u>-</u>	<u>3,684,358</u>	<u>3,684,358</u>	<u>3,619,190</u>

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer on conversion	-	-	-	449,000

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	3,995,038	3,995,038	3,357,262

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	2,909,700	152,327	933,011	3,995,038	3,357,262

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	9,100	9,100	9,063
Governance Auditors' non audit costs	-	4,749	4,749	2,350
Legal and professional fees	-	11,900	11,900	3,850
Governance - Trustees expenses reimbursed	-	705	705	-

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. DIRECT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Educational supplies	153,175	153,175	126,730
Technology costs	33,318	33,318	25,919
Examination fees	2,008	2,008	2,296
Staff Development	23,661	23,661	9,529
Educational consultancy	20,000	20,000	-
Other costs	106,701	106,701	88,899
Wages and salaries	2,214,646	2,214,646	1,947,364
National insurance	135,895	135,895	132,402
Pension cost	347,927	347,927	293,164
Depreciation	152,327	152,327	130,356
	<u>3,189,658</u>	<u>3,189,658</u>	<u>2,756,659</u>

10. SUPPORT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Other finance income less expenses	40,000	40,000	40,000
Technology costs	23,611	23,611	19,827
Maintenance of premises and equipment	141,493	141,493	31,115
Cleaning	59,762	59,762	58,465
Rent and rates	11,766	11,766	8,881
Energy costs	53,113	53,113	45,302
Insurance	120,753	120,753	46,863
Transport	13,606	13,606	14,380
Telephone, postage and stationery	27,663	27,663	35,335
Catering	80,245	80,245	46,689
Other costs	22,136	22,136	2,292
Wages and salaries	168,346	168,346	214,419
National insurance	10,498	10,498	9,038
Pension cost	32,388	32,388	27,997
	<u>805,380</u>	<u>805,380</u>	<u>600,603</u>

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for the Academy's educational operations	2,698,468	491,190	3,189,658	2,756,659
Support costs - Funding for the Academy's educational operations	211,232	594,148	805,380	568,366
Charitable activities	2,909,700	1,085,338	3,995,038	3,325,025
Governance	-	26,454	26,454	15,263
	2,909,700	1,111,792	4,021,492	3,340,288

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000 Reason
Ex-gratia/compensation payments	37,000	- Compensation payment

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for the Academy's educational operations	3,189,658	805,380	3,995,038	3,357,262

ASH FIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the Academy	152,327	130,356
Auditors' remuneration	9,100	9,063
	<u>161,427</u>	<u>139,419</u>

14. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,231,423	2,069,229
Social security costs	146,393	141,440
Other pension costs (Note 28)	380,315	321,161
	<u>2,758,131</u>	<u>2,531,830</u>
Supply teacher costs	151,569	92,555
Compensation payments	37,000	-
	<u>2,946,700</u>	<u>2,624,385</u>

b. Staff severance payments

Included in staff costs is a non-contractual severance payment of £37,000.

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Management	2	2
Teaching	19	14
Administration and support	89	56
	<u>110</u>	<u>72</u>

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14. STAFF (continued)

d. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	0
In the band £100,001 - £200,000	2	2
	<u>3</u>	<u>2</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for the members of staff amounted to £32,975 (2013: £33,074)

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2013 - 4) in respect of defined benefit pension schemes.

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:

	2014 £'000	2013 £'000
Mr D Bateson - Executive Principal	130-135	130-135
Mrs J Booth - Principal	115-120	100-105
Mrs H Rackley - Staff Governor	20-25	20-25
Mrs J Lynch - Staff Governor	25-30	25-30

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year ended 31 August 2014, expenses totalling £705 (2013 - £1220) were reimbursed to 1 Trustee (2013 - 1).

16. 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 2014 was £794 (2013 - £771). The cost of this insurance is included in the total insurance cost.

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17. OTHER FINANCE INCOME (EXPENSE)

	2014 £	2013 £
Expected return on pension scheme assets	90,000	58,000
Interest on pension scheme liabilities	(130,000)	(98,000)
	<u>(40,000)</u>	<u>(40,000)</u>

18. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2013	6,828,440	27,782	39,013	6,895,235
Additions	234,218	75,538	62,347	372,103
At 31 August 2014	<u>7,062,658</u>	<u>103,320</u>	<u>101,360</u>	<u>7,267,338</u>
Depreciation				
At 1 September 2013	179,435	2,358	1,313	183,106
Charge for the year	126,909	5,901	19,517	152,327
At 31 August 2014	<u>306,344</u>	<u>8,259</u>	<u>20,830</u>	<u>335,433</u>
Net book value				
At 31 August 2014	<u>6,756,314</u>	<u>95,061</u>	<u>80,530</u>	<u>6,931,905</u>
At 31 August 2013	<u>6,649,005</u>	<u>25,424</u>	<u>37,700</u>	<u>6,712,129</u>

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

Included in Leasehold Property is land valued at £483,000 (2013 - £483,000) which is not depreciated.

19. DEBTORS

	2014 £	2013 £
Trade debtors	-	3,240
Other debtors	78,904	22,141
Prepayments and accrued income	28,340	24,458
Grants Receivable	-	240,869
	<u>107,244</u>	<u>290,708</u>

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20. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	29,561	274,354
Other creditors	-	218,448
Accruals and deferred income	60,222	7,500
	<u>89,783</u>	<u>500,302</u>
		£
Deferred income		
Resources deferred during the year		<u>5,662</u>

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	705,247	33,519	-	-	-	738,766
Restricted funds						
General Annual Grant (GAG)	460,744	1,421,777	(1,499,832)	(27,023)	-	355,666
Other DfE/EFA grants	-	44,572	(44,572)	-	-	-
Government grants	-	2,158,087	(2,158,087)	-	-	-
Other income	-	71,659	(71,659)	-	-	-
School fund	-	274,217	(13,015)	-	-	261,202
Pension reserve	(1,214,000)	-	(82,000)	-	(598,000)	(1,894,000)
	<u>(753,256)</u>	<u>3,970,312</u>	<u>(3,869,165)</u>	<u>(27,023)</u>	<u>(598,000)</u>	<u>(1,277,132)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/EFA capital grants	15,054	7,949	(239)	-	-	22,764
Government capital grant	322,077	-	(4,024)	-	-	318,053
Capital expenditure from GAG	107,299	-	(20,646)	27,023	-	113,676
Capital expenditure from other income	6,604,830	-	(127,418)	-	-	6,477,412
	<u>7,049,260</u>	<u>7,949</u>	<u>(152,327)</u>	<u>27,023</u>	<u>-</u>	<u>6,931,905</u>
Total restricted funds	<u>6,296,004</u>	<u>3,978,261</u>	<u>(4,021,492)</u>	<u>-</u>	<u>(598,000)</u>	<u>5,654,773</u>
Total of funds	<u>7,001,251</u>	<u>4,011,780</u>	<u>(4,021,492)</u>	<u>-</u>	<u>(598,000)</u>	<u>6,393,539</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 pupils 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 £61,000. 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 £14,000 actuarial reduction/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.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. 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 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	705,247	33,519	-	-	-	738,766
Restricted funds	(753,256)	3,970,312	(3,869,165)	(27,023)	(598,000)	(1,277,132)
Restricted fixed asset funds	7,049,260	7,949	(152,327)	27,023	-	6,931,905
	<u>7,001,251</u>	<u>4,011,780</u>	<u>(4,021,492)</u>	<u>-</u>	<u>(598,000)</u>	<u>6,393,539</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	6,931,905	6,931,905	6,712,129
Current assets	738,766	706,651	-	1,445,417	2,003,424
Creditors due within one year	-	(89,783)	-	(89,783)	(500,302)
Provisions for liabilities and charges	-	(1,894,000)	-	(1,894,000)	(1,214,000)
	<u>738,766</u>	<u>(1,277,132)</u>	<u>6,931,905</u>	<u>6,393,539</u>	<u>7,001,251</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2014 Total £	2013 £
Net incoming resources before revaluations	(9,712)	-	(9,712)	728,189
Returns on investments and servicing of finance	(2,095)	-	(2,095)	(1,517)
Transfer on conversion	-	-	-	(449,000)
Depreciation of tangible fixed assets	152,327	-	152,327	130,356
Capital grants from DfE	-	-	-	(7,611)
Movement in debtors	183,464	-	183,464	83,428
Movement in creditors	(410,519)	-	(410,519)	274,959
FRS 17 adjustments	82,000	-	82,000	61,000
Net cash (outflow)/inflow from operations			(4,535)	819,804

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,095	1,517
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(372,103)	(116,235)
Capital grants from DfE	-	7,611
Net cash outflow capital expenditure	(372,103)	(108,624)

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,712,716	(374,543)	-	1,338,173
Net funds	1,712,716	(374,543)	-	1,338,173

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**NOTES TO THE FINANCIAL STATEMENTS
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26. 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.

27. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>50,000</u>	<u>-</u>

28. 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 defined benefit schemes.

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS (continued)

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will

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28. PENSION COMMITMENTS (continued)

commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2014 was £270,000, of which employer's contributions totalled £205,000 and employees' contributions totalled £65,000. The agreed contribution rates for future years are 18.9% for employers and varied rates for employees.

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	1,273,000	6.60	939,000
Bonds	3.30	309,000	3.80	382,000
Property	4.50	182,000	4.70	132,000
Cash	3.30	55,000	3.60	15,000
Total market value of assets		<u>1,819,000</u>		<u>1,468,000</u>
Present value of scheme liabilities		<u>(3,713,000)</u>		<u>(2,682,000)</u>
Deficit in the scheme		<u><u>(1,894,000)</u></u>		<u><u>(1,214,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(3,713,000)	(2,682,000)
Fair value of scheme assets	<u>1,819,000</u>	<u>1,468,000</u>
Net liability	<u><u>(1,894,000)</u></u>	<u><u>(1,214,000)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Current service cost	(247,000)	(189,000)
Interest on obligation	(130,000)	(98,000)
Expected return on scheme assets	90,000	58,000
Total	<u>(287,000)</u>	<u>(229,000)</u>
Actual return on scheme assets	<u>191,000</u>	<u>139,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	2,682,000	2,273,000
Current service cost	247,000	189,000
Interest cost	130,000	98,000
Contributions by employees	65,000	55,000
Actuarial Losses	620,000	67,000
Benefits paid	(31,000)	-
Closing defined benefit obligation	<u>3,713,000</u>	<u>2,682,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,468,000	1,106,000
Expected return on assets	90,000	58,000
Actuarial gains and (losses)	22,000	81,000
Contributions by employer	205,000	168,000
Contributions by employees	65,000	55,000
Benefits paid	(31,000)	-
	<u>1,819,000</u>	<u>1,468,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a loss of £612,000 (2013 loss - £14,000).

The Academy expects to contribute £222,000 to its Defined benefit pension scheme in 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

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

	2014	2013
Equities	70.00 %	64.00 %
Bonds	17.00 %	26.00 %
Property	10.00 %	9.00 %
Cash	3.00 %	1.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.70 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.2	20.9
Females	24.3	23.3
Retiring in 20 years		
Males	24.2	23.3
Females	26.6	25.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(3,713,000)	(2,682,000)
Scheme assets	1,819,000	1,468,000
Deficit	(1,894,000)	(1,214,000)
Experience adjustments on scheme liabilities	(620,000)	(67,000)
Experience adjustments on scheme assets	22,000	81,000

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Sensitivity Analysis

	Approx. % increase in employer liability %	Approx. monetary amount £
0.5% increase in Real Discount Rate	13	499,000
1 year increase in member life expectancy	3	111,000
0.5% increase in the Salary Discount Rate	6	236,000
0.5% increase in the Pension Increase Rate	7	246,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other
	2014	2013	2013
	£	£	£
Expiry date:			
Between 2 and 5 years	-	-	8,936
	8,936		8,936

30. 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 a trustees 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.

During the year a payment of £20,000 was made to David Bateson, former Trustee and Executive Principal, for consultancy work undertaken after his employment ended.

31. POST BALANCE SHEET EVENTS

During the year a new building was constructed on the Academy's site by the Local Authority. The occupation of the building was handed over to the Academy on 1 September 2014. The formal transfer of the property subject to the terms of the existing lease will take place during the following year and the value of the property will be introduced into the Academy's accounts, at its valuation, which has yet to be determined. The insurance value of the building is £5,000,000.

32. CONTROLLING PARTY

The trustees have ultimate control of the Academy.