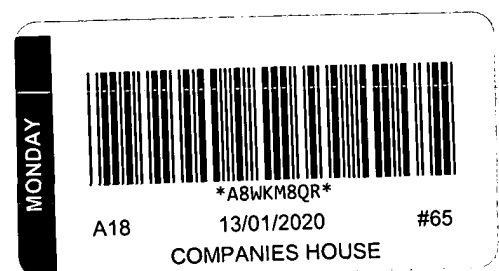


Company Registration Number: 09434926 (England & Wales)

ASSET EDUCATION
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



ASSET EDUCATION
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 15
Governance Statement	16 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditors' Report on the Financial Statements	22 - 25
Independent Reporting Accountant's Report on Regularity	26 - 27
Statement of Financial Activities Incorporating Income and Expenditure Account	28 - 29
Balance Sheet	30 - 31
Statement of Cash Flows	32
Notes to the Financial Statements	33 - 67

ASSET EDUCATION
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Professor J H West-Burnham B Keaney B Leeke N D Pavitt
Trustees	Professor J H West-Burnham, Chair of Trustees E Casey, Vice Chair, Chair of Area Governance Ipswich G H Clarke C E Flintoff, CEO/Accounting Officer C E Gartland (Resigned 7 October 2019) B D Gostling, Finance and Audit Chair M C B Mattinson, Chair of Area Governance Waveney J J Pentreath, Principal Director G R Stevens, Operations Chair N Denny
Company registered number	09434926
Company name	ASSET Education
Principal and registered office	St Helen's Primary School Woodbridge Road Ipswich Suffolk IP4 2LT
Chief Executive Officer	C E Flintoff
Senior management team	C Flintoff, Chief Executive Officer J Bowles, Headteacher, Wenhaston Primary School A Clarke, Headteacher, Stutton C of E Primary School (to 31 December 2018) D Herbert, Chief Finance Officer K Hodgetts, Headteacher, St Helen's Primary School K Milk, Headteacher, Edgar Sewter Community Primary School & Bungay Primary School S Capper, Headteacher Whitton Community Primary School P Palmer, Joint Headteacher, The Oaks Primary School J Pentreath, Joint Headteacher, The Oaks Primary School C Starkl, Headteacher, Holton Saint Peter Community Primary School S Winter, Headteacher, Ilketshall Saint Lawrence School R Dedicoat, Headteacher, Shotley Community Primary School G Parfitt, Headteacher, Stutton C of E Primary (From 1 January 2019) N Bosse, Headteacher, Cliff Lane Primary School (from 1 April 2019) G Andrews, Headteacher, Castle Hill Infant School & Junior School (from 1 April 2019)
Independent auditors	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of ASSET Education (the trust and charitable company) for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 13 academies serving a catchment area in Suffolk. Excluding the 6 nurseries, the academies had a combined capacity of 3,518 and a roll of 3,028 in the Autumn 2019 census.

Structure, Governance and Management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are its primary governing documents. The trustees of the charitable company are also the directors for the purposes of company law. The terms trustee and director are interchangeable.

The charitable company includes the following academies:

Bungay Primary School	converted and joined the trust on 01/05/2017
Castle Hill Junior School	transferred to the trust on 01/03/2019
Castle Hill Infant School	transferred to the trust on 01/03/2019
Cliff Lane Primary School	transferred to the trust on 01/03/2019
Edgar Sewter Community Primary School	converted and joined the trust on 01/05/2017
Holton St Peter Community Primary School	converted and joined the trust on 01/05/2017
Ilketshall St Lawrence School	converted and joined the trust on 01/05/2017
St Helen's Primary School	converted on 01/03/2015
Shotley Community Primary School	converted and joined the trust on 01/09/2018
Stutton Church of England Primary School	converted and joined the trust on 01/06/2018
The Oaks Primary School	converted on 01/03/2015
Wenhaston Primary School	converted and joined the trust on 01/05/2017
Whitton Community Primary School	converted on 01/03/2015

The following academy joined the trust after the year-end:

Ringshall School	converted and joined the trust on 01/10/2019
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The operation of the trust's academies and employment of staff are the responsibility of the trustees. The trust retains control of academy budgets and finances, and monitors these through its finance committee. Throughout this report, the board of trustees is referred to as the main governing body (MGB). Each academy has appointed local governing bodies (LGB) who have delegated authority to administer their academy within agreed budgets.

Details of the trustees who served throughout the period are included in the reference and administrative details section. Within this report, the term trustee refers to a member of the MGB and the term governor to a member of an LGB.

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 and Officers' Indemnities

The trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise; this scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the articles of association and funding agreement.

Trustees are appointed for a fixed term. The chief executive officer is an ex officio member of the MGB. Other trustees are elected to office by members or appointed by trustees. The articles of association make provision for:

- up to 12 directors appointed by members
- up to 2 co-opted directors appointed by trustees

Trustees are appointed for the skills and expertise they bring to the board. The board undertakes a regular skills audit and trustees and members seek suitable appointments to any perceived gaps. Two parent members of LGBs are required and elected to post (see ASSET governance handbook).

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

The trust is committed to providing adequate opportunities for trustees and governors to undertake and receive suitable training to enable them to perform their role effectively. There is an induction programme including training from the trust executive for new trustees and local governors. A governance handbook includes role briefs and codes of conduct that must be adhered to, and signed, by new governors. New governors and trustees complete an application form, two satisfactory references are required and full DBS and de-barring checks are carried out. The induction programme includes a tour of the relevant academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the particular role they will undertake in the school.

Organisational Structure

The governance of the trust is defined in the memorandum and articles of association together with the funding agreement with the Department of Education.

The MGB met on 6 occasions in the 2018/2019 academic year and its sub committees (finance and audit, operations and risk, education, area governance) met at least 3 times per year. The MGB is responsible for the strategic direction of the trust. The trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the trust by the use of those budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments. The scheme of delegation sets out the levels of delegation to committees of the board, LGBs and the trust executive (the chief executive officer, the chief finance officer and headteachers).

The governors within their LGBs are responsible for providing the necessary support and challenge to the school in order to implement strategic policy effectively, ensuring the appropriateness of annual budgets and capital expenditure projects for their academy and monitoring performance against that budget and authorised capital limits. The chairs of the LGBs report to the board's area governance committee on their effectiveness in undertaking their role against ASSET excellence statements.

The senior leadership teams (SLTs) control the academies at an executive level implementing policies and reporting to the chief executive officer and their LGB. Each SLT is responsible for the day-to-day operation of their academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The senior management team (SMT) looks across the trust and ensures that the strategic aims of the trust as a whole are implemented locally.

The trust's chief executive officer is the accounting officer.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include trustees and those staff to whom the trustees have delegated significant authority and responsibility in the day-to-day running of the trust.

The trust adheres to the latest version of the school teachers' pay and conditions document (STPCD) and single status salary ranges agreed nationally. The pay of key management personnel is decided by a variety of contributory factors, such as the school group size, the ISR, the level of experience of the staff member and the level of challenge in the role. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the trust's appointment and pay policies.

All pay awards of key management posts (ie headteacher, central trust staff) are approved by the remuneration committee and ratified by the MGB.

Employee involvement and communication

ASSET Education is committed to high levels of employee involvement and good communication. Our distributed leadership model provides for school-level leadership across the trust. School leaders are all part of the Education Improvement Team that meets regularly with the CEO and trust central team. Business Managers meet regularly with the CFO. Headteachers and Business Managers are responsible for cascading news and information from these meetings within their own schools. Other information is relayed to staff from the centre through regular trust newsletters, mailings, emails and staff training sessions. The views of staff are gathered by individual schools and in one annual trust survey. During 2019/2020 a Joint Consultative Committee is being set up with staff involvement.

Policy Regarding Disabled Employees

ASSET Education is committed to ensuring that we are mindful of equality in all that we do. As an equal opportunities employer we seek to offer disabled members of staff the same conditions of service, employment rights, promotion and training opportunities as other members of staff in similar roles.

The Equality Act 2010 requires us to publish information that demonstrates that we have due regard for the need to:

- Eliminate unlawful discrimination and other conduct that is prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and people who do not;
- Foster good relations between people who share a protected characteristic and people who do not share it.

We seek to ensure that disabled staff, disabled staff who apply for a job within the organisation, or those that have a disability recognised whilst in our employment, have equality of opportunity.

We seek to make ASSET Education buildings accessible to all.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the MGB may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procedures. Any transaction where the trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the academies financial handbook.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and Activities

Objects and Aims

The principal object and aim of the charitable company is the operation of a number of academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

Vision: Our children deserve the very best - we strive to achieve excellence for all

Our schools:

- are relentless in their drive towards consistently excellent practice and outcomes in all areas
- engage everyone in their mission to raise aspirations, improve learning and achieve success for every child
- seek to recognise and maximise individuals' strengths and energy in order to energise and empower
- build an inclusive, positive, resilient and optimistic culture
- go the extra mile to achieve equity for all pupils regardless of their starting points
- ensure that all pupils have strong core skills and can speak with confidence and knowledge about a range of subjects
- provide a curriculum that is irresistible, relevant and life-enhancing for all learners
- support and challenge everyone to be the best they can be and aim for excellence
- make a positive contribution within their community to enable people to live happy, successful and fulfilled lives

This means that, as a group of schools, we...

- aim for excellence in all areas of school life by envisioning, sharing, researching, developing and innovating together
- build on the strengths of our people, growing their confidence and developing their expertise
- take collective responsibility, develop partnerships and collaborate at all levels with positivity and resilience
- Set no limits on what we can achieve and are relentless in always striving to improve

Values that underpin our work:

Excellence - We strive for excellence in every aspect of school life and achievement, tackling disadvantage and inequality with determination and a desire for success. We relentlessly pursue improvement keeping the highest expectations of all and for all. We work with professionalism and efficiency and are self-disciplined, resilient and innovative in order to achieve our aims.

Empowerment - With a shared commitment to our vision and aspirations we empower individuals to be the best they can be. We balance ownership with accountability and build on strengths providing opportunities with positivity and optimism. We encourage trust by delegation and develop energetic, enthusiastic and committed leadership for improvement at all levels.

Engagement - Seeking out partnerships with others we value collaboration, cooperation and inclusion for the benefit of all. We take responsibility, acting with commitment, care and respect. We balance support with challenge to seek out the best. We commit to share, innovate and celebrate and require reflection and optimism.

Equity - Recognising that starting points and barriers to learning are individual and unique to every learner we seek to provide whatever support, guidance and intervention we can in order to tackle disadvantage and discrimination wherever it exists. We strive to do everything within our capacity to remove the barriers to social mobility, working towards social justice.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Public Benefit

The trustees believe that by working towards the objects and aims of the trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

Overall performance

The overall performance of schools across the trust is the responsibility of the CEO who is accountable to the trust board. A key factor is the provision of support for schools to enable them to succeed. All services, support and challenge provided for schools is measured by impact on school performance. School performance is linked to pay decisions for the CEO and headteachers in the trust.

School performance

Each school's performance is judged against a range of criteria and reported through the ASSET Data Dashboard. This is a live document which trustees and chairs of governors can access at any time. In addition to this, a standard suite of reporting templates are used to report to LGBs termly. These cover: pupil attainment and progress, quality of teaching and learning, pupil related data including attendance, behaviour, SEN and safeguarding. The overall performance of a school is the responsibility of the headteacher who is accountable to the CEO.

Analysis:

- Overall there was a combined 1.6% improvement in results from 2018 to 2019 across the ten schools beginning the academic year as part of ASSET, with a decline in the combined attainment of disadvantaged pupils (from 54% to 50%).
- On average ASSET children made slightly more progress across KS2 than pupils nationally in reading and writing. Maths progress was slightly below average. Pupils in Ipswich schools made more progress than other pupils nationally in all subjects and progress scores put them in the top 40% for English. In Waveney schools, pupils made less progress than other pupils nationally in all subjects and progress scores put them in the bottom 25% for maths. Children still make more progress at St Helen's and The Oaks than they do at other schools. Percentages should be read with caution in smaller schools.
- In reading 73% of our pupils achieved at nationally expected levels which is an increase of 4% on last year and is now in line with national figures (which have declined by 2%). For the first year pupils at Whitton achieved in line with national averages for reading with a significant three year improvement trend. This year also saw reading attainment improved in 6 out of 10 schools: Edgar Sewter, Holton, Ilketshall, Shotley, The Oaks and Whitton. Schools where reading attainment is still below national are Bungay, Castle Hill, Cliff Lane, Holton, Shotley and Wenhaston.
- In writing 78% of our pupils achieved at nationally expected levels which is 1% below last year but in line with national averages. Writing attainment rose in 3 out of 10 schools: Shotley, The Oaks and Wenhaston but is still below national at Bungay, Castle Hill, Cliff Lane, Holton, St Helen's, Wenhaston and Whitton.
- In SPAG (spelling, punctuation and grammar) 75% achieved nationally expected levels which is 3% below national and no improvement or decline on last year. SPAG attainment rose in 4 out of 10 schools: Ilketshall, Shotley, The Oaks and Whitton and is still below national in Bungay, Castle Hill, Cliff Lane, Edgar Sewter, Holton, Shotley and Wenhaston.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- In maths 72% of our pupils achieved at nationally expected levels which is a 2% improvement on last year but now 7% below national due to an increase of 3% in national averages. Maths attainment rose in 7 out of 10 schools: Edgar Sewter, Ilketshall, Shotley, St Helen's, Stutton, The Oaks and Wenhaston but is still below national at Bungay, Castle Hill, Cliff Lane, Edgar Sewter, Holton, Stutton, Wenhaston and Whitton.

Performance of key Year 6 pupil groups across the trust in 2019 compared to national:

Pupil Groups	Number of pupils	Reading		Writing		Maths		Combined	
		Trust	National	Trust	National	Trust	National	Trust	National
All	309	73	73	78	78	72	79	61	65
Boys	138	68	69	68	72	70	78	55	60
Girls	171	77	78	86	85	73	79	66	70
SEND	46	37		28		33		22	22
EAL	39	62		69		64		46	64

Trust Key Performance Indicators (KPIs):

During the year the trust has worked towards its strategic priorities and towards delivering the "ASSET promise" KPIs by:

- setting minimum pupil achievement targets for all schools to achieve
- tracking the attainment and progress of all pupils from their starting points
- ensuring that the overall quality of the learning experience for pupils in classrooms is good
- improving teaching through carefully planned and bespoke training opportunities
- developing the leadership potential of our staff and delegating whole trust responsibilities
- standardising school development planning and self-evaluation
- ensuring that the line management of all key management staff is focused and effective
- supporting schools to prepare for Ofsted inspections
- ensuring effective safeguarding of pupils at all levels is well led and consistent across schools
- using one MIS system to combine the measurement of behaviour and attendance data and introducing a new pupil achievement tracking system
- establishing accurate and responsive risk assessment at all levels through the development of data dashboards which feed into operational and finance risk registers
- ensuring that health and safety is a high priority and effective systems and procedures are in place
- further developing the website and trust communications to promote collaboration within and outside of the trust
- using planning and monitoring cycles to improve efficiency, increase productivity and ease workload issues
- establishing central team roles to ensure that all aspects of the running of the trust are overseen effectively
- setting up a robust due diligence process which has been trialled and tested growing the trust from 9 to 13 schools within the year operating from two hubs establishing our governance structures in the new schools and clearly identifying the roles and responsibilities of LGBs

The trustees receive regular information at each committee meeting to enable them to monitor the performance of the trust compared to aims, strategies and financial budgets.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the 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 notes to the Financial Statements (Accounting Policies).

Financial Review

The principal source of funding for the trust is the General Annual Grant (GAG) and other grants that it receives from the Education Skills and Funding Agency (ESFA). For the year ended 31 August 2019, the trust received £22,307,934 of GAG and other funding. This includes £6,891,090 relating to income on conversion and transfers. A high percentage of this income is spent on wages and salaries and support costs to deliver the trust's primary objective of the provision of education. During the year, the trust spent £14,604,859 on expenditure with transfers to capital of £73,850 to support capital new build and improvement projects on the various academy sites. The trust brought forward from 2017/18, £468,284 restricted revenue funds and £458,601 unrestricted revenue funding. The carry forward for 2018/19 is £775,564 restricted revenue funding and £631,530 unrestricted revenue funding.

The trust also receives grants for fixed assets from the ESFA and other government bodies. In accordance with applicable accounting standards, such grants are shown as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. In the year, the trust received condition improvement funding of £1,168,272 for 6 capital projects. At 31 August 2019, the value of unspent capital grants was £705,026 (2018: £1,468,382).

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the trust is recognising a significant pension fund deficit of £5,016,000 (2018: £1,915,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The trustees are aware of the requirement to balance current and future needs and aim to build and maintain a revenue reserve to provide flexibility and certainty in forward planning. The current reserves policy is for each academy within the trust to hold revenue reserves equivalent to 3% of their General Annual Grant (GAG) income with a minimum reserve of £20,000. All revenue reserves are controlled by the trust board including those transferred in upon conversion and cannot be spent without the approval of the board.

At 31 August 2019, the trust had the following reserves: unrestricted £631,530 (2018: £458,601), GAG £654,849 (2018: £290,363), other restricted £120,715 (2018: £177,921). This has been built up from a mixture of local activities and balances transferred from the predecessor schools. At 31 August 2019, all schools were holding revenue reserves of at least 3% of their GAG income or £20,000 apart from Shotley Community Primary School who are working towards achieving this over an agreed 3-year period.

The balance of other restricted reserves represents approved funds carried forward for costs that will be incurred in 2019/20.

The trustees monitor estimated year-end carry forward figures via monthly reports generated by the academy business managers and collated by the chief finance officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The trustees monitor cash flow as part of the finance and audit committee agenda. The trust cash balance at 31 August 2019 was £2,947,772 (2018: £1,702,139).

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

Reserve funds will be held on deposit in an interest bearing account in a UK regulated bank or in other instruments and investments as agreed from time to time by the MGB.

The trust will take a very prudent approach to any deposits or investments that it makes by:

- ensuring financial security takes precedence over revenue maximisation;
- avoiding any types of investment that may be considered novel, contentious or potentially lacking in broad public support;
- taking professional advice where appropriate.

Principal Risks and Uncertainties

A central risk register is maintained, identifying the major risks, to which the trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the finance and audit committee and operations and risk committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the trustees at each finance and audit committee meeting. The principal risks facing the trust are outlined below; those facing the academies at an operational level are addressed by its systems and by internal financial and other controls.

The trustees report that the trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The trustees assess the other principal risks and uncertainties facing the trust as follows:

- reputational - the continuing success of the individual academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards and ensuring the trust ethos, values and vision is evident in all schools. To mitigate this risk trustees ensure that student progress and outcomes are closely monitored and reviewed;
- growth - the trust needs to grow in order to support an adequate central team that could lack the capacity to handle the growth. To mitigate this risk the trustees keep the composition of the central team under regular review and ensure that the trust buys in external expertise when needed in order to carry out thorough due diligence when necessary;
- each academy within the trust has considerable reliance on continued government funding through the ESFA and there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks and ensure that trustees and governors are appointed with the expertise needed to fully support and challenge the trust;

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- safeguarding and child protection - the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the academies is reliant on the quality of its staff and the trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The trust has appointed M+A Partners LLP to carry out independent and external checks on financial systems and records through their internal audit service as required by the academy financial handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.

The trust and each academy have continued to strengthen the risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

Growth and Structure

- Develop central leadership roles in educational improvement, finance and services to deliver on the trust priorities
- Strengthen and streamline services to schools to improve efficiency and value for money
- Develop Service Level Agreements and traded services, including CPD and consultancy beyond the Trust
- Build on the distributed leadership model through policy and job descriptions
- Develop school specialisms and ability to share practice and offer training
- Develop marketing and communications to increase pupil numbers at schools that are below capacity
- Maximise use of grant applications for capacity and growth

Impact beyond the Trust

- Take a lead role in developing the regional CEO network
- Influence the leadership of the Ipswich Opportunity Area legacy work
- Support the LA to improve provision for SEND pupils
- Lessen the environmental impact of our operations and develop a strategy for improvement

Quality in teaching

- Only implement evidence based practice improvements and develop our own research base
- Ensure monitoring and coaching at classroom level effectively supports the development of teacher expertise
- Focus on forming good relationships for learning and supporting pupils with SEND
- Develop the influence of middle leaders and collaboration across schools
- Embed the use of consistency checklists to ensure good teaching everyday
- Develop and share 'Assessment for Learning' strategies across all subjects
- Remove unnecessary tasks so that teachers can manage their workload and enjoy their job
- Further develop the training offer for all staff especially NQTs, early career teachers and support staff

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Curriculum

- Develop and embed curriculum principles to ensure high quality provision against the new Ofsted framework
- Continue to promote reading for pleasure, whole class reading and reading advocates
- Embed high quality oracy in all schools across all subjects
- Improve the quality of teaching and learning in STEM subjects, especially science
- Ensure good use is made of support and resources from specialist hub schools especially maths and English
- Ensure connections with other places and an understanding of global citizenship
- Develop subject expertise, training and leadership across schools
- Work towards planning for learning rather than planning for lessons
- Develop banks of curriculum plans and resources
- Continue to work towards depth of learning, authentic outcomes and real-life experiences
- Develop social and cultural capital and emotional learning opportunities
- Focus on developing pupil independence, metacognition and self-regulation

Pupil Assessment and performance data

- Develop use of Insight to improve data analysis and impact
- Widen pupil assessment to include 21st Century skills, personal development and key subject knowledge
- Reduce formal testing to the minimum and use standardised score tests
- Standardise and simplify reporting to trustees and governors
- Measure the impact of interventions and teaching strategies
- Further develop year group meetings to improve knowledge of expected standards and moderation

Pupil Premium

- Develop and embed strategies to improve equity
- Thoroughly investigate barriers to learning at each school and ensure bespoke planning
- Share high impact interventions and strategies

Mental health

- Develop and embed the trust wide mental health strategy to improve staff and pupil well-being

Safeguarding

- Introduce 'supervision' for senior leaders and DSLs and support for all staff to maintain good mental and physical health
- Embed annual safeguarding reviews and follow up visits
- Develop and embed a consistency checklist for excellent practice

SEND

- Develop a whole trust approach and resources for consistency
- Establish expertise register for advice and guidance
- Trial joint SENDCo arrangements and develop shared SENDCo expertise

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Developing staff and leaders

- Encourage uptake of funded NPQs and share learning from projects
- Extend the Headteacher Programme to deputies and middle leaders
- Use strengthscope profiles to develop strong senior leadership teams
- Open leadership discussions to more staff
- Develop use of SLEs across the curriculum
- Contribute to the project to develop routes into teaching
- Provide clear career pathways at every level
- Embed standard training packages including induction, setting expectations and moderation
- Develop a strategy to improve equality of opportunity and reduce the gender pay gap

Performance evaluation, review and reporting

- Embed review cycle for external, safeguarding, pupil premium and peer/middle leader reviews
- Establish use of trust audit tools for evaluating the curriculum, SEND, Pupil Premium, etc
- Develop use of google forms for surveys of pupil voice, staff voice, etc, on an annual cycle
- Develop and use pupil criteria for judging a good school
- Develop and embed our 'statements of principles' and checklists in T&L, curriculum, pupil premium, assessment
- Improve the collection and reporting of data aiming for one data entry point for full analysis
- Develop an audit cycle of trust services for schools and school office practice

Finance

- Keep under review the need for a new finance system on expansion and with ESFA requirements
- Embed and expand the model for small school finance support through TSBMs
- Establish monthly senior executive team meetings to review budgets and ensure immediacy of impact on provision
- Embed high quality financial reporting at every Board meeting to improve trustee knowledge
- Further develop a 'curriculum led' financial planning approach by improving consistency in staffing and resource planning

Operations

- Continue to develop and embed centralised support and services for schools to improve efficiency and value for money
- Further develop whole trust procurement contracts and consider shared arrangements with other trusts
- Embed the annual cycle of contract review and planning for change
- Establish robust contract management and regular audits
- Secure parity of pay across schools for similar posts in teaching support, business administration, premises, IT and HR
- Establish formal relationships with unions
- Continue to work towards establishing whole trust policies and embed the policy review cycle
- Produce an asset management plan and strategy for spending SCA from 2020
- Establish and embed a Business Continuity Plan and consistent school level crisis management
- Secure a senior executive leadership role in provision of services for schools
- Develop the use of technology in this area to better capture and understand data, improve efficiency and gain time for improving frontline services

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Local Governance

- Ensure support for governors through Governance Handbook, online training, governors portal and induction is effective
- Establish better links between the Ipswich LGBs and the Ipswich Opportunity Area
- Recruit high quality governors in all schools with vacancies
- Evaluate shared governance arrangements

Trust Governance

- Develop training offer for trustees particularly in educational practice
- Embed use of challenging questions and self-audit tools
- Act on analysis of skills audits
- Organise an external review of the Trust as part of the growth strategy

School Level Targets and Priorities for 2019/2020

Headteachers are expected to secure the good performance of their school and have been set targets in the following areas (individually set):

- School minimum targets to be met or exceeded
- Secure the achievement of 'borderline' pupils in Year 2 and Year 6 who achieved age expected levels in EY/Year 2
- Secure progress within the average band in published 2020 results
- Focus on maximising the progress made by two SEND pupils whose needs are deemed best met through in-school provision in order to improve SEND provision generally within the school
- Ensure all teaching is consistently good and pupils are making progress across the curriculum, evidenced through pupil discussions, in-class quizzes and tests, assessment against learning organisers and evidence in books
- Efficient and effective organisation of the school and leadership of SDP priorities so that staff feel time is well used and their workload is manageable
- Ensure that pupils in Y6 have positive attitudes towards taking their statutory tests and are keen to show what they can do

In 2019/2020 the trust aims to embed and build on the initiatives introduced last year:

- CLPE Power of Reading project - embedding training and curriculum planning
- School 21 Oracy project - embedding training and disseminating to all ASSET schools
- Embedding maths mastery approaches to improve maths results
- Focus on strategies for assessing learning in class and maximising learning opportunities
- Developing meta-cognition and self-regulation in pupils through explicit teaching
- Ensuring the curriculum is broad and balanced
- Pupil premium - maximising known high impact strategies to ensure consistency

In schools the focus will continue to be on:

- Embed reading strategies to ensure impact on reading results at KS1 and KS2
- Develop use of oracy across the curriculum to improve thinking and learning
- Improve consistency and expertise in maths teaching for mastery to improve results at KS1 and KS2
- Ensure that learning and teaching is clearly focused on age appropriate knowledge, skills and understanding
- Improve the teaching of science across the school

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

As a trust the focus will be on:

- Ensure consistent Quality First Teaching in all trust classrooms
- Disseminate 'curriculum principles' and audit school provision to enhance the curriculum offer, including a focus on STEM curriculum
- Both widen and tighten pupil assessment data and performance monitoring/reporting
- Achieve greater equity for pupil premium funded and other vulnerable children
- Develop a trust mental health strategy to improve well-being
- Ensure excellence and consistency in child protection and safeguarding in light of new KCSiE guidance
- Develop whole trust consistency in provision for SEN children
- Improve, develop and share the expertise of staff including succession planning and career pathways
- Develop consistency checklists and excellent monitoring, evaluation and review
- Develop central finance resource to ensure consistent practice across schools and improve financial reporting directly to the Board
- Develop central HR provision and consistency of practice across schools
- Improve specific areas of operation including the management of assets and procurement
- Develop the central capacity and structure of the trust for further growth
- Work beyond the trust
- Improve the impact of local governance on school improvement
- Further develop strong and robust trustee governance to focus on school improvement

Future growth and development of the Trust

We aim to continue to grow the trust to a size that is viable and sustainable both financially and in order to continue to secure improvement. Growth plans include developing our services to schools, maximising pupil numbers in schools and improving our marketing and communications.

Trustees are keen for ASSET Education to be highly involved in the Ipswich Opportunity Area initiatives as we recognise the challenges that schools in Ipswich face. This involvement has been a focus for our work over this year and has brought in additional resources that will benefit all of our schools.

Funds Held as Custodian Trustee on Behalf of Others

NCTL Schools Direct Salaried (SDS) Programme

The trust distributes SDS funding as an agent for the Department for Education. In the year, the trust received £90,605 and disbursed £90,605 from the fund. No amounts were held at the year-end (2018: £0).

Fundraising

The trust only held small fundraising events during the year including summer and Christmas fairs, discos and non-uniform days. The trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

ASSET EDUCATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

ASSET Education had no employees who were relevant union officials during the year. There were also no costs associated with the outsourcing of trade union activities in the year-ended 31 August 2019.

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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 12 December 2019 and signed on its behalf by:



Professor J H West-Burnham
Chair of Trustees

ASSET EDUCATION
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that ASSET Education 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 CEO 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 ASSET Education 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 six 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
Professor J H West-Burnham, Chair of Trustees	6	6
E Casey, Vice Chair, Chair of Area Governance Ipswich	5	6
G H Clarke	5	6
C E Flintoff, CEO/Accounting Officer	6	6
C E Gartland	5	6
B D Gostling, Finance and Audit Chair	4	6
M C B Mattinson, Chair of Area Governance Waveney	6	6
J J Pentreath, Principal Director	4	6
G R Stevens, Operations Chair	3	6
N Denny	3	6

Review of year:

Greater separation between members and trustees has been achieved with only one member who is also a trustee. There has been no change to the membership of the Trust Board over the year.

Trustees have evaluated their own effectiveness at each Board meeting and have undertaken and analysed a skills audit. Trustees have considered the quality of the data they use and have found it acceptable as they are provided with information from both internal and external sources which has been benchmarked locally and nationally.

All LGBs are required to self-review against ASSET Governance Excellence Statements and report their findings to the Area Governance Committee. These reviews took place in all school LGBs over the course of the year. Trustees have designed their own self-evaluation tool based on DfE guidance and have designed review questions to address at each meeting on an on-going basis.

ASSET EDUCATION
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

An external review of leadership and governance was undertaken by Pank Patel in Autumn 2018. The review was a valuable experience and the report highlighted a number of areas for improvement especially around local governance and leadership capacity. Priorities that trustees discussed included...

- Encourage some of our strong LGB chairs to become National Leaders of Governance
- Use an external source as a means to keep governors up to date with educational change
- Upskill LGBs in understanding, analysing and interpreting school data
- Ensure LGBs are prepared well for Ofsted inspections
- Develop the links between LGBs to further strengthen and ensure consistency
- Continue to work towards greater consistency in LGB roles
- Provide opportunities for greater links between LGBs and Trustees
- Continue to keep leadership capacity under review
- Reduce the reliance on the CEO by developing the wider leadership framework and system leadership
- Continue working towards finding economies so that we have the funds necessary to secure rapid school improvement

Changes were made as a result to the support and training provided for governors and good feedback has been received from Chairs of Governors at Area Governance Committees. Trustees consider that local governance in 2019/2020 is stronger as a result.

A second external review of governance was undertaken by M+A Partners in May 2019. The scope of this review was: compliance with the Trust Objects and Articles of Association; board and committee composition and experience; management of conflicts of interest; communication between the trust and LGBs; compliance with the Charity Governance Code issued by the NGA. The review found the governance control environment to be good and identified one major weakness and several minor weaknesses which have all been addressed.

Committees

The **finance and audit committee** is a sub-committee of the main board of trustees. Its purpose is to:

The purpose, remit and membership of the committee has remained the same with meetings divided into two parts: finance and audit. Executive members sit as observers for the audit part.

During the year the committee noted the financial health of the trust and its improved reserves position. The committee approved 3 year budget plans for schools and the trust central budget and noted the challenges that schools face with increased costs. Some applications to access school reserves were approved following recommendations from the CEO.

Attendance at meetings in the year was as follows:

Trustee and other attendees	Meetings attended	Out of a possible
E Casey	3	4
G H Clarke	2	4
C E Flintoff	4	4
B D Gostling	4	4
C Johnson	3	4
P Mutumburi	2	4

ASSET EDUCATION
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- consolidating academy contracts
- joint procurement
- further developing distributed leadership roles

The purpose of the system of internal control

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

Capacity to handle risk

The board of 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 general purposes 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

ASSET EDUCATION
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Internal Scrutiny/Audit

The board of trustees has considered the need for a specific internal audit function and has decided to appoint M&A Partners as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Income
- Governance
- Payroll

On a termly basis, the internal auditor reports to the board of trustees, through reports to the finance & audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work.

Review of effectiveness

As accounting officer the CEO 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 internal auditor
- 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 Audit 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 12 December 2019 and signed on their behalf by:



Professor J H West-Burnham
Chair of Trustees



C E Flintoff
Accounting Officer

ASSET EDUCATION
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



C E Flintoff
Accounting Officer
Date: 12 December 2019

ASSET EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

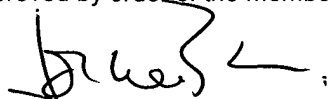
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/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 12 December 2019 and signed on its behalf by:



Professor J H West-Burnham

ASSET EDUCATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET EDUCATION

Opinion

We have audited the financial statements of ASSET Education (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ASSET EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET
EDUCATION (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

ASSET EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET
EDUCATION (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

ASSET EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSET
EDUCATION (CONTINUED)**

Use of our report

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP
Reporting Accountant

Chartered Accountants
Statutory Auditors

Anglia House, 6 Central Avenue

St Andrews Business Park

Thorpe St Andrew

Norwich

Norfolk

NR7 0HR

17 December 2019

ASSET EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSET
EDUCATION AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ASSET Education during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to ASSET Education and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to ASSET Education and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ASSET Education and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of ASSET Education's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of ASSET Education's funding agreement with the Secretary of State for Education dated 27 April 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

ASSET EDUCATION
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSET
EDUCATION AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Price Bailey LLP
Reporting Accountant
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 17 December 2019

ASSET EDUCATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Income on transfer from other trust		(771,000)	6,677,957	-	5,906,957	-
Income on conversion from local authority		(36,000)	1,021,457	(1,324)	984,133	232,730
Other donations and capital grants		4,000	1,432,434	43,695	1,480,129	1,666,950
Charitable activities	4	13,403,388	-	461,798	13,865,186	10,241,636
Other trading activities	5	-	-	62,906	62,906	29,714
Investments	6	-	-	8,623	8,623	2,752
Total income		<u>12,600,388</u>	<u>9,131,848</u>	<u>575,698</u>	<u>22,307,934</u>	<u>12,173,782</u>
Expenditure on:						
Charitable activities		13,462,258	739,832	402,769	14,604,859	10,704,475
Total expenditure		<u>13,462,258</u>	<u>739,832</u>	<u>402,769</u>	<u>14,604,859</u>	<u>10,704,475</u>
Net (expenditure) /income		<u>(861,870)</u>	<u>8,392,016</u>	<u>172,929</u>	<u>7,703,075</u>	<u>1,469,307</u>
Transfers between funds	20	(73,850)	73,850	-	-	-
Net movement in funds before other recognised gains/(losses)		<u>(935,720)</u>	<u>8,465,866</u>	<u>172,929</u>	<u>7,703,075</u>	<u>1,469,307</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	(1,858,000)	-	-	(1,858,000)	543,000
Net movement in funds		<u>(2,793,720)</u>	<u>8,465,866</u>	<u>172,929</u>	<u>5,845,075</u>	<u>2,012,307</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	(1,446,716)	20,461,875	458,601	19,473,760	17,461,453
Net movement in funds	(2,793,720)	8,465,866	172,929	5,845,075	2,012,307
Total funds carried forward	(4,240,436)	28,927,741	631,530	25,318,835	19,473,760

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

The notes on pages 33 to 67 form part of these financial statements.

ASSET EDUCATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09434926

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	28,222,715	18,993,493
		<u>28,222,715</u>	<u>18,993,493</u>
Current assets			
Stocks	15	4,515	3,440
Debtors	16	911,314	1,466,344
Cash at bank and in hand		2,947,772	1,702,139
		<u>3,863,601</u>	<u>3,171,923</u>
Creditors: amounts falling due within one year	17	(1,734,853)	(760,026)
Net current assets		<u>2,128,748</u>	<u>2,411,897</u>
Total assets less current liabilities		<u>30,351,463</u>	<u>21,405,390</u>
Creditors: amounts falling due after more than one year	18	(16,628)	(16,630)
Net assets excluding pension liability		<u>30,334,835</u>	<u>21,388,760</u>
Defined benefit pension scheme liability	29	(5,016,000)	(1,915,000)
Total net assets		<u><u>25,318,835</u></u>	<u><u>19,473,760</u></u>

ASSET EDUCATION
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	20	28,927,741		20,461,875	
Restricted income funds	20	775,564		468,284	
Restricted funds excluding pension asset	20	29,703,305		20,930,159	
Pension reserve	20	(5,016,000)		(1,915,000)	
Total restricted funds	20		24,687,305		19,015,159
Unrestricted income funds	20		631,530		458,601
Total funds			25,318,835		19,473,760

The financial statements on pages 28 to 67 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:



Professor J H West-Burnham

12 December 2019

The notes on pages 33 to 67 form part of these financial statements.

ASSET EDUCATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	As restated 2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	869,779	905,511
Cash flows from investing activities	24	374,481	170,449
Cash flows from financing activities	23	1,373	(9,621)
Change in cash and cash equivalents in the year		1,245,633	1,066,339
Cash and cash equivalents at the beginning of the year		1,702,139	635,800
Cash and cash equivalents at the end of the year	25	<u>2,947,772</u>	<u>1,702,139</u>

The notes on pages 33 to 67 form part of these financial statements

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

ASSET Education meets the definition of a public benefit entity under FRS 102.

ASSET Education is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of its registered office is St Helen's Primary School, Woodbridge Road, Ipswich, Suffolk, IP4 2LT.

The accounts have been prepared in pounds sterling and rounded to the nearest pound.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust 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.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on the following bases over its expected useful life, as follows:

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Leasehold land	- Over lease term
Leasehold buildings	- Over estimated useful life per the valuation or a maximum of 50 years
Furniture and fixtures	- 20% straight line
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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

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

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Shotley Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1.16 Agency arrangements

The Academy Trust acts as an agent in distributing SDS funding on behalf of the Department for Education. The Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 34.

1.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There were no areas of judgment used in the preparation of these financial statements.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Restricted and Restricted Asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations				
Income on conversion from local authority	985,457	(1,324)	984,133	232,730
Income on transfer from other academy trust	5,906,957	-	5,906,957	-
Other donations	7,950	43,695	51,645	99,492
Total Donations	6,900,364	42,371	6,942,735	332,222
Capital Grants	1,428,484	-	1,428,484	1,567,458
Total Grants	1,428,484	-	1,428,484	1,567,458
	8,328,848	42,371	8,371,219	1,899,680
Total 2018	1,759,073	140,607	1,899,680	

In 2018, income transferred on conversion was £232,730 of which £50,905 was unrestricted, £(24,000) restricted and £205,825 restricted fixed assets.

In 2018, income from donations was £99,492 of which £89,702 was unrestricted and £9,790 was restricted fixed assets.

In 2018, capital grants of £1,567,458 were in relation to restricted fixed assets.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy trust's provision of education

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	10,362,580	-	10,362,580	7,713,814
Other DfE/EFA grants	1,885,913	-	1,885,913	1,462,554
Start up grant	25,000	-	25,000	50,000
	<u>12,273,493</u>	<u>-</u>	<u>12,273,493</u>	<u>9,226,368</u>
Other government grants				
Local authority grants	1,112,209	2,249	1,114,458	643,355
	<u>1,112,209</u>	<u>2,249</u>	<u>1,114,458</u>	<u>643,355</u>
Other income from the academy trust's educational operations				
Other income	1,472	315,180	316,652	204,325
Other grants	16,214	-	16,214	47,264
Catering income	-	144,369	144,369	120,324
	<u>13,403,388</u>	<u>461,798</u>	<u>13,865,186</u>	<u>10,241,636</u>
Total 2018	<u><u>9,916,280</u></u>	<u><u>325,356</u></u>	<u><u>10,241,636</u></u>	

In 2018, income from DfE/ESFA grants was £9,226,368 which all was restricted.

In 2018, income from other government grants was £643,355 of which £268 was unrestricted and £643,087 was restricted.

In 2018, other income from the academy trust's educational operations amounted to £371,913 of which £325,356 was unrestricted and £46,825 was restricted.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	20,492	20,492	13,514
Sale of goods and services	37,732	37,732	16,200
Insurance income	4,682	4,682	-
	<u>62,906</u>	<u>62,906</u>	<u>29,714</u>

In 2018, all income from other trading activities was unrestricted.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	8,623	8,623	2,752

In 2018, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	9,722,489	-	919,986	10,642,475	7,794,568
Allocated support costs	1,241,994	784,273	1,936,117	3,962,384	2,909,907
	<u>10,964,483</u>	<u>784,273</u>	<u>2,856,103</u>	<u>14,604,859</u>	<u>10,704,475</u>
Total 2018	<u>8,132,878</u>	<u>486,364</u>	<u>2,085,233</u>	<u>10,704,475</u>	

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure (continued)

In 2018, direct expenditure consisted of £7,278,268 staff costs and £516,300 other costs.

In 2018, support expenditure consisted of £854,610 staff costs, £486,364 premises costs and £1,568,933 other costs.

In 2019, of the total expenditure, £402,769 (2018 - £262,067) was to unrestricted funds, £13,462,258 (2018 - £9,735,749) was to restricted funds and £739,832 (2018 - £706,659) was to restricted fixed asset funds.

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Provision of Education	10,642,475	3,962,384	14,604,859	10,704,475
Total 2018	7,794,568	2,909,907	10,704,475	

Analysis of support costs

	2019 £	2018 £
Support staff costs	1,241,994	854,610
Depreciation and loss on disposal	726,880	706,659
Technology costs	99,987	59,590
Premises costs	784,273	486,364
Other support costs	1,028,775	749,972
Governance costs	67,523	52,712
	3,949,432	2,909,907

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	55,717	27,201
Depreciation of tangible fixed assets	661,260	522,613
Loss on disposal of fixed assets	78,572	184,047
Governance internal audit costs	2,762	2,702
Fees paid to auditors for:		
- audit	12,700	11,500
- other services	11,540	11,650
	<u> </u>	<u> </u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Central services

The academy trust has provided the following central services to its academies during the year:

- Human Resources
- Legal Services
- Financial Services
- Educational Support Services
- Payroll Services
- Health and Safety Services

The academy trust charges for these services on the following basis:

5% of GAG income, plus IT and school business manager charges where applicable.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Bungay Primary School	46,633	37,433
Castle Hill Infant School	39,413	-
Castle Hill Junior School	45,188	-
Cliff Lane Primary School	56,070	-
Edgar Sewter Community Primary School	55,089	47,914
Holton St Peter Community Primary School	28,601	19,982
Ilketshall St Lawrence School	26,055	22,279
St Helen's Primary School	106,871	76,852
Shotley Primary School	33,871	-
Stutton Church of England Primary School	14,873	2,210
The Oaks Primary School	105,353	84,499
Whitton Community Primary School	86,080	74,592
Wenhaston Primary School	24,269	19,930
Total	668,366	385,691

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,287,154	6,128,826
Social security costs	687,218	508,686
Pension costs	1,908,310	1,450,330
	<u>10,882,682</u>	<u>8,087,842</u>
Agency staff costs	81,801	23,520
Staff restructuring costs	-	21,516
	<u><u>10,964,483</u></u>	<u><u>8,132,878</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Staff exit payments	-	21,352
Severance payments	-	164
	<u>-</u>	<u>21,516</u>

b. Non-statutory/non-contractual staff severance payments

There are no non-statutory, non-contractual severance payments in the 2019 financial statements (2018 - £164).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	162	124
Administration and support	281	219
Management	13	11
	<u>456</u>	<u>354</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	3
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
	<u> </u>	<u> </u>

e. Key management personnel

The key management personnel of the academy trust comprises of the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £990,004 (2018: £838,624). This includes £91,648 for national insurance (2018: £77,739) and £123,545 of pension costs (2018: £106,103).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
C E Flintoff, CEO/Accounting Officer	Remuneration	85,000 - 90,000	85,000 - 90,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
		15,000	15,000
J J Pentreath, Principal Director	Remuneration	65,000 - 70,000	65,000 - 70,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
		15,000	15,000

During the year, retirement benefits were accruing to 2 Trustees (2018 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £2,714 were reimbursed or paid directly to 4 Trustees (2018 - £4,098 to 3 Trustees).

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Trustees' and Officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	19,349,611	184,566	320,081	158,561	20,012,819
Additions	1,438,097	550,143	211,658	69,742	2,269,640
Assets on conversion	1,017,957	-	3,500	-	1,021,457
Assets on transfer	6,628,649	-	32,061	17,247	6,677,957
Disposals	(81,846)	-	-	-	(81,846)
Transfers between classes	184,566	(184,566)	-	-	-
At 31 August 2019	28,537,034	550,143	567,300	245,550	29,900,027
Depreciation					
At 1 September 2018	807,537	-	126,827	84,962	1,019,326
Charge for the year	523,085	-	81,875	56,300	661,260
On disposals	(3,274)	-	-	-	(3,274)
At 31 August 2019	1,327,348	-	208,702	141,262	1,677,312
Net book value					
At 31 August 2019	27,209,686	550,143	358,598	104,288	28,222,715
At 31 August 2018	18,542,074	184,566	193,254	73,599	18,993,493

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Stocks

	2019 £	2018 £
Uniform	2,296	2,862
Fuel	1,930	-
Stationery	289	578
	<u>4,515</u>	<u>3,440</u>

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	14,634	150
Other debtors	1,518	76,172
Prepayments and accrued income	662,301	1,285,818
VAT recoverable	232,861	104,204
	<u>911,314</u>	<u>1,466,344</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	10,996	9,621
Trade creditors	374,460	164,059
Other taxation and social security	189,990	122,933
Other creditors	221,077	138,734
Accruals and deferred income	938,330	324,679
	<u>1,734,853</u>	<u>760,026</u>

	2019 £	2018 £
Deferred income at 1 September 2018	224,253	153,595
Resources deferred during the year	408,261	224,253
Amounts released from previous periods	(224,253)	(153,595)
	<u>408,261</u>	<u>224,253</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	16,628	16,630
	<u>16,628</u>	<u>16,630</u>

19. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	3,461,437	2,955,244
	<u>3,461,437</u>	<u>2,955,244</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	1,153,312	429,470
	<u>1,153,312</u>	<u>429,470</u>

Financial assets that are measured at amortised cost comprise trade debtors, accrued income and cash balances.

Financial liabilities measured at amortised cost comprise Salix loans, trade creditors, payments due to pension schemes and accruals.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	450,655	575,698	(424,899)	-	-	601,454
Designated funds	7,946	-	22,130	-	-	30,076
	<u>458,601</u>	<u>575,698</u>	<u>(402,769)</u>	<u>-</u>	<u>-</u>	<u>631,530</u>
Restricted general funds						
General Annual Grant	290,363	10,366,106	(9,986,389)	(15,474)	-	654,606
Start up grant	29,068	25,000	(31,598)	(1,880)	-	20,590
Pupil Premium	-	986,705	(986,705)	-	-	-
Other DfE/ESFA grants	139,560	956,553	(1,062,370)	(8,094)	-	25,649
Local authority funds	2,372	1,052,814	(937,506)	(46,402)	-	71,278
Other restricted funds	6,921	20,210	(21,690)	(2,000)	-	3,441
Pension reserve	(1,915,000)	(807,000)	(436,000)	-	(1,858,000)	(5,016,000)
	<u>(1,446,716)</u>	<u>12,600,388</u>	<u>(13,462,258)</u>	<u>(73,850)</u>	<u>(1,858,000)</u>	<u>(4,240,436)</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Assets on conversion	17,937,921	1,021,457	(558,997)	-	-	18,400,381
Assets on transfer	-	6,677,957	(69,130)	-	-	6,608,827
DfE/ESFA grants	2,299,324	1,418,484	(26,198)	(56,396)	-	3,635,214
Capital expenditure from GAG	179,523	-	(59,021)	84,815	-	205,317
Other capital donations and grants	45,107	13,950	(26,486)	45,431	-	78,002
	<u>20,461,875</u>	<u>9,131,848</u>	<u>(739,832)</u>	<u>73,850</u>	<u>-</u>	<u>28,927,741</u>
Total Restricted funds	<u>19,015,159</u>	<u>21,732,236</u>	<u>(14,202,090)</u>	<u>-</u>	<u>(1,858,000)</u>	<u>24,687,305</u>
Total funds	<u>19,473,760</u>	<u>22,307,934</u>	<u>(14,604,859)</u>	<u>-</u>	<u>(1,858,000)</u>	<u>25,318,835</u>

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

General Annual Grant

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfers to and from GAG relate to a contribution from GAG funding towards the purchase of capital assets during the year.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Start Up Grant

This represents a grant to aid with start up costs for new academies on conversion into the Trust.

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

Other DfE/ESFA grants

This represents other grants from the government towards the provision of education.

Local authority funds

This represents other funding received from other bodies towards a specific purpose.

Other restricted

This represents funding received from other bodies towards a specific purpose.

Pension reserve

This fund represents the Trust's share of the deficit in the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 29 based on the period end actuarial valuation.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. Included within the balance at 31 August 2019 for DfE/ESFA grants is £705,026 (2018 - £1.32 million) which is committed to be spent on various capital projects.

Designated funds

This fund has been set aside as a contingency pot for replacement of large items of kitchen equipment.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Bungay Primary School	58,142	75,294
Castle Hill Infant School	50,170	-
Castle Hill Junior School	83,886	-
Cliff Lane Primary School	106,422	-
Edgar Sewter Community Primary School	73,490	84,234
Holton St Peter Community Primary School	55,221	65,979
Ilketshall St Lawrence School	38,189	59,031
The Oaks Primary	99,343	104,778
St Helen's Primary School	110,807	(25,094)
Shotley Primary School	8,594	-
Stutton Church of England Primary School	97,300	125,050
Whitton Community Primary School	251,922	127,238
Whenhaston Primary School	50,406	54,931
ASSET Education	323,202	255,444
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,407,094	926,885
Restricted fixed asset fund	28,927,741	20,461,875
Pension reserve	(5,016,000)	(1,915,000)
	<hr/>	<hr/>
Total	25,318,835	19,473,760
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ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Bungay Primary School	787,221	92,710	52,427	97,695	1,030,053	925,584
Castle Hill Infant School	434,119	37,937	31,301	42,369	545,726	-
Castle Hill Junior School	520,309	38,275	34,631	51,211	644,426	-
Cliff Lane Primary School	578,330	79,523	77,509	60,684	796,046	-
Edgar Sewter Primary School	949,128	87,927	64,688	107,536	1,209,279	1,186,653
Holton St Peter Community Primary School	323,113	40,097	32,868	51,065	447,143	421,575
Ilketshall St Lawrence School	348,006	47,152	27,658	65,187	488,003	474,937
The Oaks Primary School	1,561,212	141,309	166,415	150,651	2,019,587	1,924,361
St Helen's Primary School	1,420,590	118,204	99,724	131,255	1,769,773	1,739,001
Shotley Primary School	494,344	33,834	33,319	104,929	666,426	-
Stutton Church of England Primary School	187,304	15,671	13,378	33,252	249,605	53,916
Whitton Community Primary School	1,298,751	136,257	93,091	178,319	1,706,418	1,750,871
Wenhaston Primary School	325,922	41,292	20,248	43,757	431,219	427,203
ASSET Education	227,123	232,822	41,010	925,951	1,426,906	735,717
Academy trust	9,455,472	1,143,010	788,267	2,043,861	13,430,610	9,639,818

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	-	740	1,557	5,649	-	7,946
General funds						
General Funds - all funds	83,071	497,689	(263,624)	133,519	-	450,655
Total Unrestricted funds	83,071	498,429	(262,067)	139,168	-	458,601
Restricted general funds						
General Annual Grant	81,958	7,713,813	(7,396,818)	(108,590)	-	290,363
Start up grant	46,858	50,000	(56,637)	(11,153)	-	29,068
Pupil premium	850	820,452	(821,302)	-	-	-
Other DfE/ESFA grants	328	729,026	(506,451)	(83,343)	-	139,560
Local authority funds	3,500	562,689	(563,817)	-	-	2,372
Other restricted funds	500	40,300	(32,724)	(1,155)	-	6,921
Pension reserve	(2,076,000)	(24,000)	(358,000)	-	543,000	(1,915,000)
	(1,942,006)	9,892,280	(9,735,749)	(204,241)	543,000	(1,446,716)

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
Assets on conversion	18,352,810	205,825	(620,714)	-	-	17,937,921
DfE/ESFA grants	741,840	1,553,458	(27,175)	31,201	-	2,299,324
Capital expenditure from GAG	197,328	-	(51,677)	33,872	-	179,523
Other capital donations and grants	28,410	23,790	(7,093)	-	-	45,107
	<u>19,320,388</u>	<u>1,783,073</u>	<u>(706,659)</u>	<u>65,073</u>	<u>-</u>	<u>20,461,875</u>
Total Restricted funds	<u>17,378,382</u>	<u>11,675,353</u>	<u>(10,442,408)</u>	<u>(139,168)</u>	<u>543,000</u>	<u>19,015,159</u>
Total funds	<u>17,461,453</u>	<u>12,173,782</u>	<u>(10,704,475)</u>	<u>-</u>	<u>543,000</u>	<u>19,473,760</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	28,222,715	-	28,222,715
Current assets	1,811,445	1,320,888	731,268	3,863,601
Creditors due within one year	(1,035,881)	(615,862)	(83,110)	(1,734,853)
Creditors due in more than one year	-	-	(16,628)	(16,628)
Provisions for liabilities and charges	(5,016,000)	-	-	(5,016,000)
Total	<u>(4,240,436)</u>	<u>28,927,741</u>	<u>631,530</u>	<u>25,318,835</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	18,993,493	-	18,993,493
Current assets	1,156,970	1,509,478	505,475	3,171,923
Creditors due within one year	(688,686)	(41,096)	(30,244)	(760,026)
Creditors due in more than one year	-	-	(16,630)	(16,630)
Provisions for liabilities and charges	(1,915,000)	-	-	(1,915,000)
Total	(1,446,716)	20,461,875	458,601	19,473,760

22. Reconciliation of net income to net cash flow from operating activities

	2019 £	As restated 2018 £
Net income for the year (as per Statement of Financial Activities)	7,703,075	1,469,307
Adjustments for:		
Depreciation	661,260	522,613
Capital grants from DfE and other capital income	(1,428,484)	(1,567,457)
Assets transferred on conversion	(1,021,457)	(179,285)
Assets transferred from other trust	(6,677,957)	-
Pension adjustment	1,243,000	382,000
Increase in stocks	(1,075)	(1,713)
(Increase)/decrease in debtors	(128,956)	11,617
Increase in creditors	454,374	87,134
Dividends, interest and rents from investments	(8,623)	(2,752)
Loss on the sale of fixed assets	78,572	184,047
Donated assets	(3,950)	-
Net cash provided by operating activities	869,779	905,511

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(9,621)	(9,621)
New finance leases	10,994	-
Net cash provided by/(used in) financing activities	<u>1,373</u>	<u>(9,621)</u>

24. Cash flows from investing activities

	2019 £	As restated 2018 £
Dividends, interest and rents from investments	8,623	2,752
Purchase of tangible fixed assets	(1,746,612)	(471,148)
Capital grants from DfE and other capital income	2,112,470	638,845
Net cash provided by investing activities	<u>374,481</u>	<u>170,449</u>

The prior year cash flow has been restated to remove the investing movements from the operating movements in debtors and creditors. These movements are now shown in the cash used in investing activities for the purchase of fixed assets and the capital grants received.

25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,947,772	1,702,139
Total cash and cash equivalents	<u>2,947,772</u>	<u>1,702,139</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Conversion to an academy trust

On 1 September 2018 Shotley Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to ASSET Education from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,017,957	1,017,957
Other tangible fixed assets	-	-	3,500	3,500
Current assets				
Loan - representing budget deficit on LA funds	(1,324)	-	-	(1,324)
Pensions - pension scheme assets less liabilities	-	(36,000)	-	(36,000)
Net (liabilities)/assets	<u>(1,324)</u>	<u>(36,000)</u>	<u>1,021,457</u>	<u>984,133</u>

27. Transfer of existing academies into the academy trust

The following three schools transferred from Bright Tribe Trust on 1st April 2019:

Castle Hill Infant School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	1,800,414	1,800,414
Other tangible fixed assets	12,174	12,174
Pensions		
Pensions - pension scheme assets less liabilities	(257,000)	(257,000)
Net assets	<u>1,555,588</u>	<u>1,555,588</u>

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Transfer of existing academies into the academy trust (continued)

Castle Hill Junior School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	1,980,814	1,980,814
Other tangible fixed assets	21,895	21,895
Pensions		
Pensions - pension scheme assets less liabilities	(257,000)	(257,000)
Net assets	<u>1,745,709</u>	<u>1,745,709</u>

Cliff Lane Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	2,836,826	2,836,826
Other tangible fixed assets	25,834	25,834
Pensions		
Pensions - pension scheme assets less liabilities	(257,000)	(257,000)
Net assets	<u>2,605,660</u>	<u>2,605,660</u>

28. Post balance sheet events

On 1 October 2019 Ringshall Primary converted to Academy status from a local authority maintained school, and joined ASSET Education on this date. The financial effect on ASSET Education of this acquisition has not yet been estimated.

29. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 Suffolk County Council. Both are multi-employer defined benefit schemes.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Pension commitments (continued)

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

Contributions amounting to £212,683 were payable to the schemes at 31 August 2019 (2018 - £136,796) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £826,643 (2018 - £616,000).

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £869,000 (2018 - £645,000), of which employer's contributions totalled £713,000 (2018 - £531,000) and employees' contributions totalled £ 156,000 (2018 - £114,000). The agreed contribution rates for future years are 25 per cent for employers to 31 March 2020. The agreed future contribution rates for employees is tiered based on salary levels between the rates of 5.5% and 12.5%.

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.

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.6	2.70
Rate of increase for pensions in payment/inflation	2.3	2.40
Discount rate for scheme liabilities	1.8	2.80
Commutation of pensions to lump sums	25	25.00

The commutation rate of 25% relates to pre-April 2008 service and increased to 63% for post-April 2008 service.

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(350)	(155)
Discount rate -0.1%	350	155
Mortality assumption - 1 year increase	93	44
Mortality assumption - 1 year decrease	(93)	(44)
CPI rate +0.1%	304	133
CPI rate -0.1%	(304)	(133)

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

The academy trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,332,500	2,250,600
Bonds	1,799,550	980,100
Property	1,466,300	363,000
Cash and other liquid assets	66,650	36,300
Total market value of assets	6,665,000	3,630,000

The actual return on scheme assets was £353,000 (2018 - £154,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(1,035,000)	(833,000)
Past service cost	(44,000)	-
Interest income	140,000	78,000
Interest cost	(210,000)	(134,000)
Total amount recognised in the Statement of Financial Activities	(1,149,000)	(889,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	5,545,000	4,875,000
Conversion of academy trusts	121,000	84,000
Transferred in on existing academies joining the trust	2,531,000	-
Current service cost	1,035,000	833,000
Interest cost	210,000	134,000
Employee contributions	156,000	114,000
Actuarial losses/(gains)	2,071,000	(467,000)
Benefits paid	(32,000)	(28,000)
Past service costs	44,000	-
At 31 August	11,681,000	5,545,000

ASSET EDUCATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

29. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	3,630,000	2,799,000
Conversion of academy trusts	85,000	60,000
Transferred in on existing academies joining the trust	1,760,000	-
Interest income	140,000	78,000
Actuarial gains	213,000	76,000
Employer contributions	713,000	531,000
Employee contributions	156,000	114,000
Benefits paid	(32,000)	(28,000)
At 31 August	<u>6,665,000</u>	<u>3,630,000</u>

30. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £	academy 2018 £
Not later than 1 year	28,457	39,421
Later than 1 year and not later than 5 years	27,873	12,381
	<u>56,330</u>	<u>51,802</u>

31. 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.

ASSET EDUCATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

32. Related party transactions

Owing to the nature of the academy trust'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 trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Performing arts services amounting to £666 (2018 - £960) were provided by DanceEast Enterprises Ltd, a company in which the member Brendan Keaney is a director. The decision to purchase the performing art services was not influenced by Brendan Keaney. There was no balance outstanding at the 31 August 2019 (2018 - £Nil).

Services to aid the prevention of bullying amounting to £1,525 (2018 - £150) were provided by GR8 AS U R, a not for profit company in which the trustee John West-Burnham is a director. The decision to purchase these services was not influenced by John West-Burnham. There was no balance outstanding at the 31 August 2019 (2018 - £Nil).

In addition to this, certain trustees received remuneration and expenses which are disclosed in note 12.

33. Agency arrangements

The academy trust distributes Schools Direct (Salaried) funding as an agent for the Department for Education (DfE). During the year ended 31 August 2019, the trust received £90,605 (2018 - £88,246) and paid out £90,605 (2018 - £88,246). There was no outstanding balance (2018 - £Nil) due to or from ASSET Education at the year end.

In the previous period, the academy trust also managed North East Ipswich Teaching & Learning Network funding, led by the Northgate Pyramid of Schools. During the year ended 31 August 2019, the trust received £Nil (2018 - £2,400) and paid out £Nil (2018 - £5,019) as the arrangement ceased before 31 August 2018.