

Company Registration No. 07577113 (England and Wales)

ASTON COMMUNITY EDUCATION TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

ASTON COMMUNITY EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 21
Governance statement	22 - 25
Statement on regularity, propriety and compliance	26
Statement of trustees' responsibilities	27
Independent auditor's report on the accounts	28 - 30
Independent reporting accountant's report on regularity	31 - 32
Statement of financial activities including income and expenditure account	33 - 34
Balance sheet	35 - 36
Statement of cash flows	37
Notes to the accounts including accounting policies	38 - 63

ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J Barton (Chair of Directors/Trustees)
R Dyson
J Swift (Resigned 20 June 2019)
C Kinsella
M E Parker (Resigned 31 July 2019)
A Brickles
J Hudson
I Somerville (Resigned 20 June 2019)
J Ford (Appointed 1 September 2019)
C McGowan (Appointed 1 September 2019)

Members

J Barton
R Dyson
P Bennett
T Baum-Dixon
J Sharman

Senior management team

- CEO/Accounting Officer
- Executive Principal/Assistant CEO
- Executive Principal
- CFO
- Senior HR Officer
- Senior Estates Officer
- Clerk to Trustees/Senior Clerk to Governors
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal
- Principal

E Newton
R Scutt
J Sanigar
M Catling
G Shore
A Watson
K Sills

C Keeton
M Cottingham
A Liversidge
R Stone
C Gratton
D Simpson
L Jones
L Carter
R Hibberd
D Curran
K Wright

Company registration number

07577113 (England and Wales)

Registered office

ACET House
66 Holderness Drive
Aston
Sheffield
S26 2BH

ASTON COMMUNITY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Aston Academy
Thurcroft Junior Academy
Lowedges Junior Academy
Springwood Junior Academy
Aughton Junior Academy
Swinton Academy
Shirebrook Academy
Temple Normanton Junior Academy
Listerdale Junior Academy
Brookfield Junior Academy
Langwith Bassett Junior Academy

Location

Rotherham
Rotherham
Sheffield
Rotherham
Rotherham
Rotherham
Mansfield
Chesterfield
Rotherham
Rotherham
Mansfield

Head of Academy

D Curran
R Stone
L Jones
C Keeton
K Wright
R Hibberd
M Cottingham
L Carter
D Simpson
A Liversidge
C Gratton

Independent auditor

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Bankers

Lloyds TSB
14 Church Street
Sheffield
S1 1HP

Investment advisors

St James's Place
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees of Aston Community Education Trust (ACET) present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2019. The Trustees of Aston Community Education Trust are also the Directors of the Charitable Company for the purposes of company law, therefore, the annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and Articles of Association are the primary governing documents of the Academy Trust, which were updated April 2017. The Trustees of the Academy Trust are responsible for the strategic direction of the Academy Trust. Responsibility for ensuring that the strategic direction is undertaken, falls with the Board of Trustees who undertake their responsibility by delegating some responsibility to the Local Governing Body of each academy within the Multi Academy Trust.

Details of Trustees who served throughout the year are included in the Reference and Administrative Details on page 1, which forms part of this report.

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance provided by at the Charitable Company's expense via the Risk Protection Arrangement, to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of negligence, default of breach of trust or breach of duty of which they may be legally guilty in relation to the Academy Trust. Provided that any such insurance shall not be extended to any claim arising from any act or omission which the Trustees knew to be in breach of trust or a breach of duty or which was committed by the trustees in reckless disregard to whether it was in breach of trust or a breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Charitable Company. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of Trustees

As stated in the Articles of Association, the total number of Trustees is 16 and they may appoint up to 11 Trustees, 2 parent Trustees and up to 3 co-opted Trustees. The total number of Trustees (or co-opted Trustees) who are employees of the Company must not exceed one third of the total number of Trustees. The Secretary of State may in special circumstances appoint such additional Trustees as he sees fit. To date there have been no such additions.

Trustees are appointed by the Board of Members. Expressions of interest for the role of Trustee are invited via the ACET website and potential candidates are interviewed by the Chair of the Trust before being recommended to the Board of Members for approval. Trustees are appointed for a 2 year term of office and receive induction from the Chair of the Trust.

There are also individuals who fulfil the role of Local Governing Body (LGB) Governor within each academy and who exercise only the powers which are delegated by the Trustees, via Terms of Reference which are reviewed on an annual basis. In senior academies, the LGB consists of 13 members, of whom one is the principal, 2 are parent Governors (elected), 2 other staff Governors (elected) and 8 trust appointed Governors. In junior academies, the LGB consists of 9 members, one of whom is the principal, 2 are parent Governors (elected), 1 other staff Governor (elected) and 5 trust appointed Governors. Expressions of interest for the role of Governor are invited via the ACET or individual academy website and when vacancies arise potential candidates are interviewed by the Chair of Governors. All Governors are appointed for a 4 year term of office.

ACET Trustees' details are available via the ACET website, by looking in the drop down menu "Governance" and choosing "ACET Governance". Governors' details are available via academy websites, by looking in the drop down menu "about us" and choosing "ACET" and "Governing Body".

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Trustees

John Barton (Chair of Trustees)
Catharine Kinsella (Vice Chair of Trustees)
Andy Brickles
Roy Dyson
Jenny Hudson
Miles Parker (Resigned July 2019)
John Swift (Retired June 2019)
Iain Somerville (Resigned June 2019)
Jane Ford (September 2019)
Craig McGowan (September 2019)

Members

John Barton (Chair of ACET)
Paul Bennett
Roy Dyson
James Sharman
Tim Baum-Dixon

Senior Management Team

Eunice Newton (CEO/Accounting Officer)
Rebecca Scutt (Executive Principal/Assistant CEO)
Margaret Catling (CFO)
Gemma Shore (Senior HR Officer)
Andy Watson (Senior Estates Officer)
Kendal Sills (Clerk to Trustees/Senior Clerk to Governors)
Josie Sanigar (Executive Principal)

Dominic Curran (Principal)
Mark Cottingham (Principal)
Rebecca Hibberd (Principal)
David Simpson (Principal)
Cathryn Keeton (Principal)
Lindsey Jones (Principal)
Leica Carter (Principal)
Andrea Liversidge (Principal)
Clare Gratton (Principal)
Ruth Stone (Principal)
Katy Wright (Principal)

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

Aston Community Education Trust (ACET) is a Multi Academy Trust, bound by amended Articles of Association which subject to the provisions of the Companies Act 2006 (and to any directions given by special resolution) ensure that the activities of the Academy Trust are managed by the Board of Trustees who may exercise all the powers of the Academy Trust.

As a charitable company limited by guarantee, ACET has a Board of Members who meet at least three times each year and have responsibility to:

- revise and approve the Articles of Association;
- ensure clarity of vision, ethos and strategic direction;
- hold trustees to account for educational performance of the organisation and its pupils, and the appraisal of staff;
- appoint and remove trustees.

Members execute their responsibility through the monitoring and scrutiny of reports and observation of Trustee meetings.

The ACET Board of Trustees manages the business of the trust, focussing on the three core functions of governance:

- ensuring clarity of vision, ethos and strategic implementation;
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the appraisal of staff;
- overseeing the financial performance of the organisation and making sure its money is well spent.

In essence they set the direction of the trust, hold the CEO, other executive officers and the principals to account and ensure financial probity. As charity trustees, they must also ensure that they are complying with charity law requirements. Academy trusts are charitable companies and the trustees are company directors and must comply with company law requirements. Trustees are responsible under the Articles for controlling the trust's management and administration and ensuring it is solvent and well-run; and delivering the trust's charitable outcomes for the benefit of the public. The ACET Board of Trustees meets at least six times per year. ACET also has two committees: Audit & Finance and Appraisal and Remuneration.

ACET recognises the importance of the local context of its academies and the many benefits that engaging members of the local community can bring. Therefore, the trust appoints separate committees for each academy (known as Local Governing Bodies) and seeks to attract people with appropriate experience, skills and time who wish to make a difference through participation as local governors within the trust. Local Governing Bodies (LGBs) meet every half term and have delegated responsibilities from the Board of Trustees for:

- Ensuring the quality of educational provision
- Challenging and monitoring the performance of the academy
- Supporting the principal in the management of staff
- Ensuring good financial health and probity of the Voluntary Funds.

Local Governing Bodies have a Chair, Vice Chair and named Governors with specific responsibilities such as Pastoral Care, Equality & Diversity, Inclusion, Child Protection and Safeguarding. A full induction programme is offered to all Governors on joining the trust and a programme of training is delivered in response to needs identified in an audit being carried out at the start of each academic year. Chairs of Governors have access to briefings with the CEO and Clerk, which feedback confirms are supportive and well received.

LGBs make recommendations regarding policies to the Board of Trustees who retain responsibility for approving policies and all aspects of financial management relating to the individual academies. The Senior Leadership Team comprising of the CEO, other Senior Executive Officers and Principals implement policy and practice approved by the Trustees in accordance with the Scheme of Delegation which includes:

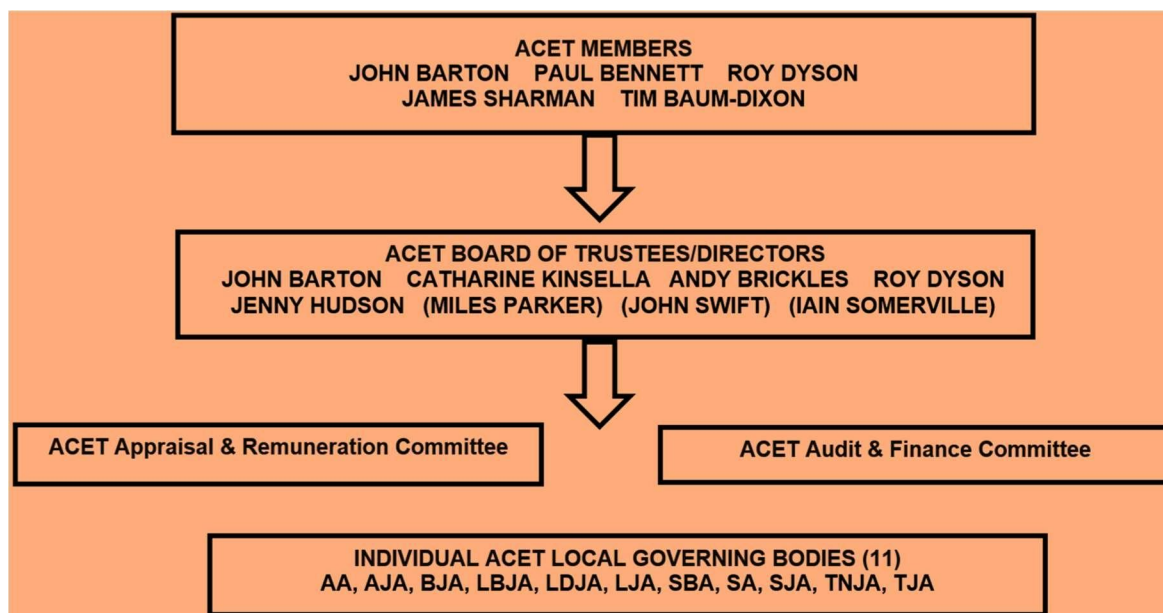
ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

- Purchases of goods and services up to £10,000 allowed providing the market has been tested and the principles of best value applied;
- Purchases of goods and services over £10,000 and up to £75,000 providing at least 2 quotes are obtained, a written record of all quotes including verbal kept with the purchase order, and the principles of best value are applied;
- Purchases of goods and services over £75,000 to be part of a tendering process; minimum of 3 suitable contractors whenever possible; information on such projects provided for discussion and approval at the appropriate governing body committee; approval of the tenders to include at least one non staff Trustee and be either in person or via email where necessary, maintaining the confidentiality of the source of the tenders and noting the reasons, should the decision not be in favour of the lowest value tender.

ACET works hard to ensure that the Board of Trustees and all LGBs have a full complement of members with a balance of skills and experience. The Board of Members reviews the performance of the Board of Trustees and individual Trustees at each of the three meetings it holds annually. Reports on the performance of each LGB and the contribution made by individuals are presented at each Board of Trustees meeting.



Annual Review of Governance

ACET is extremely fortunate in the expertise and composition of its Board of Trustees, whose members, under the highly effective leadership of the Chair, regularly commit generous amounts of time to trust business, however, 2018/2019 saw some significant changes to the composition of the Board of Trustees, with a retirement due to ill health and two resignations due to work commitments. All departing Trustees/Directors had particular skills sets and experience which were a great asset to the Board. Since their resignations, ACET Board of Members have conducted an audit of skills and have been proactive in recruiting two talented replacements who will take up appointments in September 2019.

The Board of Trustees appointed a Working Group which reviewed governance across the trust in Summer 2019. This involved an assessment of the performance of governance at Trustee/Director and LGB level and resulted in recommendations for changes to the composition of some of the LGBs and to named governor responsibility in the context of the new Ofsted framework. These recommendations were approved by the Board of Trustees and will be implemented in Autumn 2019. The Board of Members regularly assesses the contribution of trustees and takes appropriate action where necessary. Members and trustees are conscious of the urgent need for succession planning given the length of service of three key trustees, and are actively recruiting appropriate individuals who would promote the vision and values of the trust.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Trustees show tremendous commitment to the trust, maintaining high levels of attendance at Board meetings and giving generously of their time to support other trust developments. During academic year 2018/2019 they also appointed a named Estates Trustee to closely monitor the School Condition Allocation budget in response to the intense scrutiny associated with ensuring the appropriate and effective use of Capital Funding awarded to multi academy trusts nationally.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key personnel is reviewed annually via the appraisal process and in line with the annually reviewed and revised Pay Policy. The Appraisal & Remuneration Committee exercises responsibility for and oversight of the implementation of the Trust's Appraisal Policy including the appointment of Trustee Review Panels for the principals' and CEO's performance management. In setting remuneration levels, the Committee takes into consideration the following elements; basic salary; pension provisions and the main terms and conditions of each individuals' service agreement, with particular reference to the notice provisions. The pay and remuneration of the CEO is reviewed annually by the pay review panel consisting of 3 members, with the assistance of an independent external advisor. In line with the latest DfE guidance, no members of the panel are employees of the trust. In 2018/2019 the Committee undertook a detailed review/consultation with all principals and consequently reset the salary ranges for September 1st 2019, introducing an incentive scheme for those principals who had reached the top of their salary ranges.

As required, under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, as ACET trust has more than 49 full time equivalent employees throughout the relevant reporting period, please see below information as required in Schedule 2 of the Regulations. The information below consists of four tables:

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.8

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	0
1%-50%	6
51%-99%	0
100%	0

Percentage of pay bill spent on facility time:

Provide the total cost of facility time	£23,298
Provide the total pay bill	£22,552,249
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.10%

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	23.43%
--	--------

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details.

Risk management

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

Connected organisations including related party transactions

ACET does not undertake any related party transactions. One ACET Trustee is also the Chair of Governors of the school which is co-located at Shirebrook Academy and one of Shirebrook Academy's contributory primary school.

Objectives and activities

Aston Community Education Trust (ACET) is a not for profit charity established since May 2011, which sponsors primary and secondary academies in South Yorkshire and Derbyshire. The principal object and activity of the Charitable Company is the operation of Aston Community Education Trust to provide education for pupils/students of different abilities between the ages of 2 and 19. In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

The Trust is one single organisation made up of all our academies which share the same vision and values. We regard ourselves as a family of schools, working together to ensure that all our young people benefit from high quality educational provision which will enhance their life chances and ability to contribute to the local and wider community. We care deeply about our young people and prioritise them and their learning at all times. We recognise the important influence parents/carers have on their children's lives and work closely with them in helping to improve their children's self-esteem, resilience and learning progress.

ACET wants its academies to be at the centre of their communities; to retain and develop their own unique character and local community links whilst implementing the policy and practise of the Multi Academy Trust (MAT). In accepting a school into the trust we have no intention of separating it from its local community. We are opposed to elitism when it means that one group of youngsters succeed at the expense of others, therefore, whilst working with partners, we would hope to establish strong links with the school's host Local Authority and other local organisations. As our record demonstrates, we are committed to supporting all schools in informal and formal arrangements whenever we are asked to do so. From the very outset of our work with a partner school,

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

we would work closely with relevant local bodies to ensure that we fully understand and meet the needs of the community.

We believe that local children should attend local schools and so our academies are not selective in admitting children. All our academies are fully inclusive and welcome children from all backgrounds and ability groups, including those who might be categorised as vulnerable. We are committed to meeting the needs of all our children, believing they possess unlimited potential and that it is our responsibility to unlock that potential and empower them to be the very best that they can be. We have an excellent record with children with SEND and pride ourselves on exhausting every existing intervention to enable children to succeed and then if necessary we will create more - we are determined that no child will be left behind. We strive to create positive learning environments in which fixed and permanent exclusions are used sparingly and only as a last resort.

We value our staff, striving to recruit and retain high quality practitioners and to develop and deploy them to their best effect. We follow the guiding principles of School Teachers Pay & Conditions and National Joint Council Conditions of Service and endeavour to engage positively with professional associations. We recognise and accept our responsibility to collaborate with other organisations in promoting the development of education provision as a whole.

We want to be known for our track record in improving schools and raising standards; prioritising attendance, behaviour, literacy and numeracy. We want happy, healthy and confident children in our academies and believe that Physical Education and Sports make an important contribution to physical and mental wellbeing. We fully appreciate the fundamental importance of learning to read well and, therefore, strive for excellence in the teaching of Phonics in our junior academies and are extremely proud of the outstanding provision we offer in the Early Years Foundation Stage (EYFS). Whilst focusing on these core skills, ACET academies offer a wide curriculum model which provides for all aspects of a child's development.

Objectives, strategies and activities

ACET, through its academies:

- is committed to providing high quality learning and teaching, enabling everyone to reach their full potential, whatever their age, ability, gender or ethnicity.
- believes that every person is unique.
- works together in an inclusive environment of mutual respect and consideration, valuing everyone's contribution.
- recognises that parents/carers are key to supporting the learning of their child and seeks to establish positive working relationships between home and academy.
- works to establish a partnership with the local and wider community to support our young people taking a successful place in society.
- ensures that all adults recognise their responsibility to safeguard and promote the welfare of children.
- values all staff, governors and volunteers and provides high quality training and opportunities to ensure their on-going development.

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

We are committed to providing education for all youngsters from the community which our academies serve and therefore, would never adopt a selective admissions policy. We are equally committed to avoiding fixed and permanent exclusions for pupils/students in our care. Our continuous drive to improve achievement across the key stages, indicates our ambition for ALL our pupils/students.

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

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

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

Public benefit

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

Employees and disabled persons

Recruitment of staff is provided for in ACET's Equal Opportunities in Employment policy where it states, in relation to recruitment:

- Advertisements shall not imply that there is a preference for a particular group of applicants, unless there is a Genuine Occupational Qualification which limits a post to a particular group, in which case this will be clearly stated.
- Job Descriptions will give as much clear and accurate information as necessary to enable applicants to assess their suitability for the post.
- Person specifications shall only include requirements that are necessary and justifiable for the effective performance of the job. Particular attention will be paid to selection criteria to ensure potential applicants are not restricted or disadvantaged on the grounds of gender, marital status, age, race, disability, sexual orientation, religion or belief.
- The aim of the selection process is to determine the best candidate for the post in a thorough and objective manner. Individuals will be selected, promoted and treated on the basis of their ability to carry out a particular job. Criteria and tests will be selected to ensure that they are related to job requirements and not unlawfully discriminatory. This process will be continually reviewed to ensure all applicants are treated fairly.
- We will consider all reasonable adjustments to the selection process, the working environment and the job, where that would help overcome the practical effects of a disability.

For existing employees who become disabled, we undertake to make reasonable adjustments in areas such as physical environment, duties, working pattern etc. Employees with disabilities also have dispensation under the Special Leave of Absence Policy for paid time off from work for appointments related to their disability.

ACET strongly supports an ethos of inclusivity and consults regularly with staff on matters which may affect them. Regular meetings are held fortnightly with senior leaders and trade union representatives as a communication channel between staff and leaders. Staff governors are elected for each individual Local Governing Body. Any potential item for consultation is discussed at both trade union meetings and governing body meetings, then staff are consulted via staff briefings, meetings working groups and other communication appropriate to the individual situation, with a timeline for consultation communicated at the outset.

Achievements and performance

Key priorities for all academies remain to:

- sustain and improve standards for all students. Individual academies have different strengths and weaknesses but there remains a focus on ensuring that the disadvantaged students achieve as well as the national non-disadvantaged in all headline measures.
- continue to reflect upon and improve teaching, learning and assessment
- continue to focus on high expectations of behaviour, consistent behaviour management and securing high levels of attendance. This has also included detailed analysis of all groups and close monitoring of Persistent Absenteeism.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

- ensure rigour in the monitoring, evaluation and review of standards and the quality of teaching, learning and assessment. This has included the further development of senior and middle leadership development programmes and the coaching of staff new to leadership posts by experienced staff.
- Ensure that safeguarding is effective and that students are supported so that they are able to manage and assess risk effectively. All assembly programmes and staff briefings include updates on current issues. The curriculum continues to reinforce the understanding of fundamental British Values.

In the junior and senior academies there has been a focus on developing the curriculum in the context of the new Ofsted Inspection Framework.

ACET has an Academy Improvement Team (AIT) who work closely with each academy's leadership team to frequently monitor and report objectively on standards to governors and trustees. They lead staff CPD, have an excellent knowledge of assessment, particularly at KS4 and KS2 and support and challenge the Principals through regular dialogue and progress meetings. The AIT also ensures that bespoke training is in place for teaching staff which may include the opportunity to observe best practice across the trust.

The AIT has continued to support and challenge leadership, including governance, ensuring that:

- the Audit and Evaluation of the academy and the resultant Academy Improvement Plan (AIP) are focused on the priorities required to move the academy swiftly forward
- the professional development of staff focusses on the key priorities identified in the Academy Improvement Plan through the planning and delivery of staff INSET both within the academy and across the trust so that staff are afforded the opportunity to work alongside and learn from colleagues who teach the same year groups and who have similar roles
- the trust provides specialist support to the SENCO and Safeguarding leaders
- the LGBs are supported in setting challenging and ambitious targets across all phases and have a good understanding of national performance data so that the leadership of the academy can be held to account

ACET Leadership Development Programmes

The leadership programme for junior and senior academy staff, the Leaders for the Future programme, was introduced in September 2017 and saw the largest cohort participate and successfully complete the course during 2018 - 2019. This was aimed at staff who had demonstrated the aptitude, ambition and commitment to progress to leadership positions within the trust early in their careers. The programme has included training on:

- vision and ethos
- securing and leading effective teaching, learning and assessment
- the Ofsted framework
- use of data

Staff were given specific development roles on the Academy Improvement Plan. As a result, their skills in implementing an action plan and monitoring and evaluating progress, as well as continuing to secure and model very effective teaching in their academy, was challenged and developed.

ITT Partnerships

In 2018-2019 Aston Academy was the lead school for ACET School Direct (with Shirebrook Academy running their own School Direct). 8 trainees were recruited to the trust's School Direct programme, 7 in partnership with The University of Sheffield and 1 in partnership with Sheffield Hallam University. All trainees completed their training and went onto employment with schools outside of the trust. As the lead school Aston Academy was responsible for interviewing trainees and arranging placements. Training took place at the university and in placement schools with additional training for the 1 Sheffield Hallam trainee taking place at Shirebrook Academy alongside their School Direct trainees. At the end of the academic year Shirebrook School Direct closed and for 2019-2020 all trainees are being recruited and trained through ACET School Direct with Aston Academy as the lead school.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Outcomes 2019 – Senior Academies GCSE

	ASTON				SHIREBROOK				SWINTON			
KS2 APS	29.9				28.6				28.2			
	TARGET	MOCK	PREDICT	ACTUAL	TARGET	MOCK	PREDICT	ACTUAL	TARGET	MOCK	PREDICT	ACTUAL
COHORT												
4+ English	83	70	82	77	80	63	78	72	77	56	74	76
5+ English	69	54	60	59	64	38	51	48	60	27	55	60
7+ English	28	15	13	25	24	14	22	13	22	12	22	21
4+ Maths	84	69	78	80	80	56	76	72	77	63	71	73
5+ Maths	66	48	59	66	58	34	55	54	55	38	58	54
7+ Maths	30	14	22	24	23	8	18	19	22	14	19	19
Combined												
4+Eng&Ma	78	62	74	72	74	46	71	64	69	56	66	67
5+Eng&Ma	58	40	52	53	50	26	42	40	47	27	46	46
A8 Measure												
A8	54.0	44.7	48.41	48.25	51.0	36.98	46.3	44.2	50.0	42.55	47.73	46.96
EBacc (5+)	35	19	28	17	10	10	10	9.4	15	10	14	14

Aston Academy

72% 4+ English and Maths was in line with prediction of 74% but below target of 78%. Aston ranked second in Rotherham LA for this measure. 53% 5+ English and Maths was in line with prediction of 52% and below target of 58%. This measure improved significantly compared with 2018 of 46%. Aston ranked first in Rotherham LA for this measure. Attainment 8 score at 48.25 well below target. P8 was below national at -0.22. Maths results were strong and have improved at all three grade thresholds. Aston 2nd in Rotherham LA for 4+ Maths and 1st for 5+ Maths. Best English at 4+ below prediction and target. Best English at 5+ broadly in line with prediction but was 10% below target. Best English at 7+ exceeded prediction by 12% and was much closer to target. EBacc outcomes were very disappointing, 18% below target, largely due to underperformance in MFL and Combined Science. PE, RE and Health and Social Care outcomes were very strong.

Swinton Academy

P8 improved significantly to +0.18 and was in line with national, this cohort were below national on entry. Improved outcomes in all headline figures. Headline figures were closely in line with both target and prediction in Maths, best English and English and Maths combined.

- 67% 4+ English and Maths in line with prediction of 66% and target
- 46% 5+ English and Maths in line with prediction 46% and target

As well as the significant improvement in Maths and English Literature, outcomes for the following subjects also improved: Biology, Combined Science, Religious Studies, Spanish, French, Construction, Further Maths, Cambridge National Sport, PE, Art, DT, BTEC Bus Studies and Drama. EBacc performance (strong pass) was close to target with increased numbers. The following subjects underperformed: Geography, History, Food Technology and Music.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Shirebrook Academy

Improvement on 2018 outcomes with similar cohort on entry. Closer match between forecast and outcomes; still below FFT20 but broadly in line with FFT50 and national. Significant improvement in P8 from -0.52 in 2018 to -0.21 in 2019 and is now in line with national. Significant improvement in Maths impacted positively on combined measures:

- 4+E&M at 64% is an improvement of 6% compared to 2018 (18% increase since 2017). This was below prediction of 71%.
- 5+ E&M at 40% is an improvement of 6% compared to 2018(17% increase since 2017). This was in line with prediction of 42%.

Disadvantaged performance much stronger; 4+E&M improved by 20% and 5+E&M improved by 8% since 2017 but still remains a focus for the academy. SEND performance concerning and progress was significantly below national and only improved slightly on 2018. Subjects causing concern Chemistry, Drama, DT, Geography, Music, Media and Physics. EBacc performance was in line with target but number of entries remains very low.

Outcomes 2019 - Senior Academies Post 16

	SWINTON ALPS 7		ASTON ALPS 6	
	PREDICTION %	ACTUAL %	PREDICTION %	ACTUAL %
A*/A	15.73	12.22	19.24	11.2
A*/B	41.57	31.11	42.6	39
A*/C	75.28	70	81.6	70.3
A*/E	100	100	100	99.7
	PREDICTION	ACTUAL	PREDICTION	ACTUAL
L3 VALUE ADDED	0.31	-0.28	-0.02	-0.16

Aston Academy

Although the Y13 cohort were slightly lower attaining on entry than that of 2018, the overall performance of the cohort was below expectation, particularly at A*/A and A*-C. There was, however, very strong performances across a number of subject areas, and particularly Geography, PE, Philosophy, English Language, Biology, Physics, Film Studies, Government and Politics and History; indicating strong progress against attainment on entry and in a number of areas (namely Geography, Government and Politics, Philosophy and PE), a significant improvement on last year's outcomes. With regard to vocational courses, there were some very strong performances within Sports Studies Double Award diploma and similarly within the Health and Social Care diploma and BTEC Applied Science. Particular areas of concern include: Psychology, Maths, Economics, Chemistry and Business Studies where outcomes were considerably lower than prediction.

Swinton Academy

The average attainment on entry of this cohort was 30.61 compared to 28.93 the previous year. This was a small cohort of 34 students. Overall the headline figures were better than those achieved in previous years but were below staff expectations and the challenging targets set. Significant improvements were made in English Language, English Literature, Geography, Physics, Psychology and Business Studies. The vocational courses, Sport and Health and Social Care, also did much better compared to previous years. Disappointing results were achieved again in Biology, Chemistry, Applied Science, Art and Maths. Swinton Academy students studied the following subjects at Aston: Sociology, Spanish, Chemistry, Photography and Vocational Business Studies.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Outcomes 2019 - Junior Academies KS2 SATs

2019 KS2 SATs Outcomes																							
COHORT			Reading EXS		Reading GD		Maths EXS		Maths GD		Writing EXS		Writing GD		SPAG EXS		SPAG GD		Combined EXS		Combined GD		
Nat 2018			75%		28%		76%		22%		78%		20%		78%		34%		64%		10%		
Nat 2019			73%				79%								78%				65%				
			%		%		%		%		%		%		%		%		%		%		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
AJA	27	31	67	73	15	33	78	80	11	23	81	80	15	32	81	80	19	40	63	67	7	13	
BJA	34	43	47	56	12	7	50	60	9	5	85	70	12	12	47	65	15	5	35	44	6	0	
LBJA	14	18	93	67	36	25	79	78	7	33	71	61	21	22	86	67	43	44	71	61	7	11	
LDJA	31	31	77	71	39	19	77	81	16	26	87	87	23	19	87	77	42	26	71	61	10	16	
LJA	36	46	67	71	19	13	58	76	8	9	72	84	11	20	61	62	14	20	53	69	6	4	
SJA	17	30	82	79	12	31	76	79	12	24	82	83	24	31	88	72	29	14	76	69	6	7	
TNJA	9	14	78	57	22	29	78	86	44	14	78	79	33	21	67	79	33	29	78	57	11	7	
TJA	62	47	69	59	13	20	84	78	21	20	94	74	15	20	85	70	31	30	66	59	2	4	

Aughton Junior Academy

Combined EXS measure was below national and was well below prediction and FFT20 estimate. The focus on improving GD attainment was evident in these results as there was a significant improvement in all GD outcomes. However, the combined GD outcome was disappointing and below prediction and FFT20 estimate. Reading improved slightly at EXS standard but was still disappointing when compared to prediction and FFT20 estimate and this had a direct impact on the combined measure. The main focus next year will be EXS Reading outcomes and the correlation of GD combined measures.

Brookfield Junior Academy

There was a 9% improvement in the combined EXS measure, however, this was below prediction, national and FFT20 estimate. There was an improvement in EXS Reading, Maths and SP&G. Writing outcomes appear well below the 2018 outcome however they are now more accurate and in line with attainment in other areas. GD was disappointing and remains an area for improvement.

Langwith Bassett Junior Academy

The combined EXS measure was in line with prediction and FFT20 estimate. Performance in Maths was stronger than Reading and Writing both of which were lower than 2018 outcomes but reflect the individual challenges within the cohort. Improvements last year in SP&G and Writing were maintained this year. GD reading was slightly above prediction but well below FFT20 estimate. EXS outcomes at Reading and SP&G were well below 2018 outcomes but they were in line with prediction and FFT20 estimate and reflect the weaker literacy skills of this cohort. GD outcomes will continue to be a key focus for next year in conjunction with the correlation of GD combined measures.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Listerdale Junior Academy

The combined EXS measure was just below national, prediction and FFT20 estimate. There was a significant improvement in Maths at EXS, however, Reading and SP&G were below predictions and FFT20 estimates. GD combined measure was slightly below prediction and FFT20 estimate. GD Maths outcomes improved, however, Reading and SP&G outcomes were significantly below the 2018 outcomes and were below FFT20 estimate and prediction. Reading is a key focus for next year in conjunction with the correlation of GD combined measures.

Lowedges Junior Academy

Combined EXS measure was 4% above national and was in line with FFT20 estimate and increased by 16% from 2018. GD combined was below the 2018 national average and FFT20 estimate. Attainment at EXS in Maths significantly improved increasing by 18% from 2018. GD attainment remains a key priority for the academy.

Springwood Junior Academy

Combined EXS measure was 4% above national, slightly below the FFT20 estimate and prediction. Although it was 7% below the 2018 outcome this reflected the high number of SEND pupils with complex needs. It was pleasing to note some improvements at GD in Reading, Writing and Maths, however, the combined GD was disappointing and was below prediction and FFT20 estimates. GD outcomes will continue to be a key focus for next year in conjunction with the correlation of GD combined measures.

Temple Normanton Junior Academy

Combined EXS measure was below 2018 outcomes but closer to prediction and FFT20 estimate. There was an improvement in Maths and SP&G, however, Reading outcomes were well below prediction and this directly affected the combined measure. GD Reading outcomes improved compared to last year, however, GD Maths outcomes dropped. Focus next year will be on improving EXP Reading and GD Maths outcomes and improving the quality of Teaching and Learning to ensure that the 2019 Y6 cohort make rapid gains in order to overcome the legacy of underachievement.

Thurcroft Junior Academy

Combined EXS measure was well below prediction and FFT20 estimate. Performance in Writing and Maths was stronger than Reading which was 14% below national, however, GD Reading improved by 7%. The GD combined measure was disappointing and at 4% was well below prediction and FFT20 estimate. Writing outcomes were significantly below previous years, however, they were more accurate and in line with prediction and FFT20 estimate. Reading for both EXP and GD remains a key focus for the academy. GD outcomes will continue to be a key focus for next year in conjunction with the correlation of EXP and GD combined measures.

OFSTED 2019

Two of our academies were inspected during the 2018-2019 academic year.

Shirebrook Academy had a two day inspection in March 2019 and was graded Requires Improvement. Areas for improvement included the need to:

- Improve the effectiveness of leadership and management by ensuring that: – the school's systems for assessing and monitoring the progress of pupils with SEND are much sharper so that the information informs future decisions for these pupils – leaders' plans bring about the necessary improvements in the progress of key pupil groups, particularly pupils with SEND and boys – leaders monitor and record the impact of their use of additional funding closely to improve the mathematical skills of those pupils who are eligible to receive the Year 7 catch-up funding – all subject leaders continue to develop their skills in monitoring and improving the quality of teaching and learning within their areas of responsibility.
- Improve the quality of teaching so that all pupils, particularly those with SEND and boys, make strong progress by ensuring that all teachers: – have consistently high expectations of what all pupils can achieve – use

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

accurate and realistic assessment information to set pupils work that provides sufficient and appropriate challenge, including those pupils who are most able – use questioning consistently well to check pupils' knowledge and understanding so that their learning is secure – provide closer support to pupils with SEND so that they can catch up with other pupils – make consistent use of the school's system for providing pupils with feedback so that pupils know how to improve their work – insist that all work is well presented, particularly from boys and least-able pupils.

Aughton Junior Academy had a short inspection in June 2019 and Ofsted confirmed that they are still a Good academy. Areas for improvement include ensuring that:

- Leaders and those responsible for governance should ensure that strategies to improve the progress of most-able pupils in Key Stage 1 and Key Stage 2 are firmly embedded.

Going concern

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

Key financial performance indicators

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

- spending has been for the purpose intended;
- no Trustee, Governor or employee has benefitted personally from the use of these funds;
- the Senior Officers' payroll arrangements fully meet tax obligations;
- competitive tendering is in place and applied;
- there is probity in the use of public funds;
- segregation of duties is embedded throughout financial systems;
- regular comparison of staffing numbers against current and projected student intake takes place.

The trust is also subject to scrutiny from external organisations This could include, but may not be limited to, Ofsted inspection outcomes, examination / key stage results, pupil attendance data and pupil recruitment data, in addition to financial and investment performance. It could be presented as both achievements against objectives for the current accounting period, and as trends over time. Information from across the trust is used to inform the annual Budget Forecast return; Whole Government Accounts return; and Financial Management and Governance Evaluation.

Financial review

During the period ended 31 August 2019 total revenue expenditure of £30,855,000 (2018: £29,971,000) was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £29,851,000 (2018: £27,748,000). The excess of expenditure over income was £1,004,000 (2018: £2,223,000) for the period ended 31 August 2019. All figures exclude movements in the fixed asset reserves, pension liability reserve, endowment fund and transfers. The balance as at 31 August 2019 of the restricted general funds, excluding pension reserves, plus the unrestricted funds amounted to £3,115,000 (2018: £2,277,000), after transfers from the restricted fixed asset fund of £437,000 (2018: to the fixed asset fund £209,000).

Total funds at 31 August 2019 are made up as follows: fixed asset funds amounting to £68,934,000 (2018: £69,755,000), pension deficit reserve (negative) of £16,671,000 (2018: £9,895,000), other restricted funds amounting to £1,265,000 (2018: £594,000), restricted endowment funds of £2,640,000 (2018: £2,665,000) and

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

unrestricted funds amounting to £1,850,000 (2018: 1,683,000), which in total, amount to £58,018,000 total funds for the Trust (2018: 64,802,000).

At 31 August 2019 the net book value of fixed assets was £68,498,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

School Condition Allocation, grant, together with Healthy Pupils Capital Funding, has been deployed to great effect across the trust supporting significant condition improvements to the trust estate. Significant projects include, window / roof replacement and science laboratory refurbishment in some of our senior academies, together with extended fully refurbished Early Years provision in one of our junior academies.

Linked to a Local Authority Capacity Project, Aston Academy has benefited from the removal of the redundant asbestos contaminated swimming pool, leaving the steel structure which will form part of the new classroom block scheduled for completion in August 2021.

Devolved Formula Capital, continues to be received and used in each individual academy within the trust.

The trust considers integrated curriculum and financial planning to be at the heart of the planning framework and such considerations inform all discussions and decisions at senior level across the trust. Senior staff within the trust are working towards producing transparent policies documenting this mechanism. The trust continues to have in place and adhere to a robust control framework including:

- ensuring compliance with delegated financial authorities
- maintaining appropriate segregation of duties
- co-ordinating the planning and budgeting process
- applying discipline in financial management, including managing debtors, creditors, cash flow and monthly bank reconciliations
- planning and oversight of any capital projects
- management and oversight of assets
- regularity, propriety and value for money in the organisation's activities
- reducing the risk of fraud and theft
- independent checking of financial controls, systems, transactions and risks.

The number of academies within the trust has remained stable over the last year, however, the independent pre-school which was formerly attached to Langwith Bassett Junior Academy and has now been amalgamated into the trust. This is a significant benefit to the children of Langwith Bassett as a robust phonics programme can now be implemented from FS1, meaning children will start compulsory schooling in FS2 with phase 1 and some of phase 2 phonics secure. In the past, phonics teaching has begun in FS2 meaning the number of pupils achieving a 'Good level of Development' by the end of FS2 has been significantly below the national average, which historically, has resulted in challenges ensuring pupils can read fluently by the end of Key Stage 1. This trend can now be reversed. The learning environment for FS1 pupils has been refurbished with areas of learning bespoke to FS1 clearly defined thereby enhancing quality first teaching and learning.

We continue to be in a period of consolidation, following the more rapid growth over the last three years, the exception being our planned growth in support of the brand new Waverley Junior Academy, which is under construction adjacent to the Advanced Manufacturing Park situated within the Rotherham Metropolitan boundary and bordering Sheffield – the academy will open in September 2020.

Staffing reviews, together with continuous monitoring of staffing levels / deployment across the trust, supported by other rigorous cost saving strategies continue to be used across the trust, to address continuing funding challenges to ensure stability and sustainability whilst continuing to ensure sufficiently well-resourced academies, at least maintaining and exceeding whenever possible the pace of pupil / student progress.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Endowment Fund

Our unit trust investments generated £60,000 in income during the year. Following a £25,000 decrease in the valuation of the units (after valuation movement and management charges) in which our investments are placed over the year. Our initial investment in Unit Trusts now stands at £2,696,000.

Reserves policy

ACET's policy is to assess the on-going financial needs of the organisation and make sufficient provision via appropriate income streams. The overarching principle is that this year's funds are for the benefit of this year's pupils/students and that all grant funding is spent as needed, however, within this is recognition that it is absolutely vital that prudent cost projections must be used to inform the annual budget and close attention must be paid to supporting renewals and analysing historic information and how it is used in the planning process. Specific requirements of individual funding agreements are adhered to, going forward the reserves policy has a target to build up to between 1 & 2 months operating costs for each academy to ensure sufficient funds to mitigate areas of high risk across the MAT.

Unrestricted reserves are under the direction of Aston Community Education Trust and will be allocated in line with the strategic aims and objectives of the trust.

As at 31 August 2019 the unrestricted reserves were £1,850,000.

The restricted pension fund reserve is in deficit to the value of £16,761,000 as at 31 August 2019. The majority of this deficit has been inherited upon conversion to Academy status and the Trustees will continue to monitor this situation closely.

Investment Policy

This policy governs the investment strategy of the Aston Community Education Trust and all academies that constitute the Multi Academy Trust. The management of charitable funds and investments will comply with the requirements of the most up to date:

- Charities Act;
- Trustee Act;
- Financial Services and Markets Act (FSMA); and the
- Charity Commission guidance.

The charitable funds of the Multi Academy Trust are derived from Endowment funds, direct government and local authority grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the charity's work, such as providing education, training and development; these funds are defined as unrestricted.

The trustee of these funds is the Multi Academy Trust, which is managed by its Board of Trustees. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments.

Policy Scope

This policy applies to all trustees, governors, and employees of the Multi Academy Trust; a breach of the investment policy and procedure may result in disciplinary action.

Responsibilities of the Business and Finance Committee

The Audit & Finance Committee of the Multi Academy Trust is assisted by Local Governing Bodies (where delegated authority has been provided) and is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Responsibilities of the Accounting Officer and Chief Financial Officer

The Accounting Officer is responsible for ensuring that fund managers and their staff are aware of the investment policy and for ensuring that the policy is followed for all investments held. The Accounting Officer and the Chief Financial Officer are authorised to withdraw and deposit funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements, subject to the existing authorisation protocols.

Aims and Objectives

The investment objectives of the Multi Academy Trust are to:

- Achieve a long-term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment that could impact the ability of the fund to meet future long-term financial commitments;
- Provide an income to the Multi Academy Trust to help maintain its operational effectiveness in the short term.

However, a total return approach will take precedent, allowing the Multi Academy Trust to focus on investments providing optimal performance in terms of overall return rather than investments which would provide the right balance of capital and income return. The protection of present and future beneficiaries will be a key responsibility of the Multi Academy Trust.

Investment & Counterparty Risk

The Multi Academy Trust acknowledges that, in order to achieve an optimal rate of return, investments will be subject to a level of risk (Risk Return Relationship). The Multi Academy Trust will seek to adopt a prudent appetite towards risk by:

- Investing in markets where financial services are closely regulated and compensation schemes are in place;
- Adopting a suitably diversified portfolio and utilising hedged products to limit the impact of systematic and unsystematic risk;
- Avoiding speculative forms of investment;
- Investing in common investment and/or unitised funds.

Professional investment advice will be sought about the most suitable investments for the Multi Academy Trust and investments will be placed with suitably qualified investment managing agents.

Ethical Investment

The Multi Academy Trust is underpinned and supported by ethical values. However, the Multi Academy Trust is mindful of its underlying principle to further the purpose of the Multi Academy Trust (provision of education); that purpose will ordinarily be best served by seeking the maximum return consistent with commercial prudence. Therefore, the Multi Academy Trust will seek to use a combination of positive and negative criteria to influence the investment decision making process.

Positive Criteria:

- responsible employment practices;
- best corporate Governance practice;
- conscientiousness with regard to human rights;
- sustainable environmental practice;
- sensitivity towards the communities in which the business operates.

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Multi Academy Trust has given due consideration to the guidance issued by the Charities Commission and has recommended against any direct investment in the following types of organisation:

- any organisation that is directly involved in indiscriminate weaponry;
- any organisation that produces pornography;
- any organisation where their principal business activity or focus is tobacco, alcoholic drink, gambling, or weekly collected home credit.

Monitoring and Reporting Investments

The Multi Academy Trust will review the performance of the Investment Manager and the Investment Funds biannually by comparing their performance against that of competitors, average performance indicators, and the Investment Manager's adherence to the Investment Policy.

The Multi Academy Trust's annual report and financial statements will describe the investment policy used to select the Academy Trust's investments as well as reporting on the performance of investments.

Policy Review

The Multi Academy Trust will review and publish this policy on an annual basis, ensuring that it remains accurate and fit for purpose.

Financial and risk management objectives and policies

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

Principal risks and uncertainties

These include:

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

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

Fundraising

Trustees are mindful of their responsibilities linked to fund raising activities and adhere to the following principles to ensure compliance with regulatory and statutory obligations:

- Planning effectively
- Supervising fundraising activities
- Protecting the trust's reputation, money and other assets
- Identifying and ensuring compliance with the laws or regulations that apply specifically to ACET's fundraising
- Identifying and following any recognised standards that apply to the trust's fundraising activities
- Being open and accountable

ASTON COMMUNITY EDUCATION TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Whilst fund raising initiatives are not a large part of the trust's activities, trustees remain mindful of the need to protect vulnerable people and other members of the public from behaviour, in the course of fundraising, which is unreasonably intrusive or persistent, or involves placing undue pressure on a person to donate.

Plans for the Future

Due to the rapid growth in the size of the trust in the last three years, our capacity to support other providers has been limited, however, having established a period of consolidation in March 2018 until January 2020, ACET once again can engage in supporting other schools/academies through the National Leaders of Education (NLE), National Support School (NSS) or other DfE approved initiatives, prior to be prepared to receive further academies from January 2020 onwards.

The trust comprises of 3 secondary academies and 9 primary academies, when Waverley Junior Academy (WJA) opens in September 2020 making a total of 12 academies. It is the trustees' intention to extend the trust by another 3 academies between January 2020 and 2022, making 15 academies, ultimately growing to a trust comprising of 20 academies in the Sheffield, Rotherham and North Derbyshire area.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 financial statement auditors, Hart Shaw LLP, are willing to continue in office and a resolution to reappoint them will be considered at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2019 and signed on the board's behalf by:



J Barton
Chair of ACET Board of Trustees

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Aston Community Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	7	7
R Dyson	7	7
J Swift (Resigned 20 June 2019)	1	6
C Kinsella	7	7
M E Parker (Resigned 31 July 2019)	2	7
A Brickles	6	7
J Hudson	7	7
I Somerville (Resigned 20 June 2019)	1	6
J Ford (Appointed 1 September 2019)	0	0
C McGowan (Appointed 1 September 2019)	0	0

ACET is extremely fortunate in the expertise and composition of its Board of Trustees, whose members, under the highly effective leadership of the Chair, regularly commit generous amounts of time to trust business, however, 2018/2019 saw some significant changes to the composition of the Board of Trustees, with a retirement due to ill health and two resignations due to work commitments. All departing Trustees/Directors had particular skills sets and experience which were a great asset to the Board. Since their resignations, ACET Board of Members have conducted an audit of skills and have been proactive in recruiting two talented replacements who will take up appointments in September 2019.

The Board of Trustees appointed a Working Group which reviewed governance across the trust in Summer 2019. This involved an assessment of the performance of governance at Trustee/Director and LGB level and resulted in recommendations for changes to the composition of some of the LGBs and to named governor responsibility in the context of the new Ofsted framework. These recommendations were approved by the Board of Trustees and will be implemented in Autumn 2019. The Board of Members regularly assesses the contribution of trustees and takes appropriate action where necessary. Members and trustees are conscious of the urgent need for succession planning given the length of service of three key trustees, and are actively recruiting appropriate individuals who would promote the vision and values of the trust.

Trustees show tremendous commitment to the trust, maintaining high levels of attendance at Board meetings and giving generously of their time to support other trust developments. During academic year 2018/2019 they also appointed a named Estates Trustee to closely monitor the School Condition Allocation budget in response to the intense scrutiny associated with ensuring the appropriate and effective use of Capital Funding awarded to multi academy trusts nationally.

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The audit & finance committee is a sub-committee of the main board of Trustees. Its purpose is to provide assurance over the suitability of, and compliance with, its financial systems and operational controls.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Barton (Chair of Directors/Trustees)	3	3
C Kinsella	3	3
M E Parker (Resigned 31 July 2019)	3	3
A Brickles	3	3
I Somerville (Resigned 20 June 2019)	3	3

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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year through the following:

Resources

During the year, there has been significant investment in classroom IT and general classroom furniture, together with significant investment in early years' resources, to support the planned building project at LJA, which extended the building, thereby providing more spacious and appropriate early years accommodation and much improved and appropriate accommodation. By continuing to co-ordinate such projects / purchases at trust level, we have once again benefited from significant discounts and all our academies have benefited from the our programme of re-distributing resources, particularly IT and furniture. We have achieved real benefit by re-purposing laptop / desktop computers from our senior academies that are still perfectly adequate for use in our junior academies, thus extending the life span of such equipment and ensuring maximum benefit is derived from these valuable assets. This together with an extensive programme of early years' furniture renewals at LJA, appropriate for the newly extended setting and the subsequent re-distributing of existing resources, into other early years' and KS1 settings within the trust, has significantly improved the quantity and quality of resources across the trust; reduced waste and maximised the value of the funds invested.

Deployment of Specialist Staff

During the year we have extended our programme of deploying specialist staff across the trust to support the curriculum and administrative needs of the organisation, for example in P.E.; Languages and supporting administrative functions in our junior academies. This avoids the need for more costly external support and provides the highest quality support for students / pupils and staff.

Staffing

The trust is in a period of consolidation, where growth has slowed. To ensure this could not result in any staffing over capacity, a review of teaching provision across the trust has taken place, the outcome of which has allowed for some capacity in the central academy improvement team, to be deployed back into individual academies where appropriate, thus ensuring an overall reduction in teaching staff costs. By these regular reviews of provision we ensure optimum value for money by retaining highly experienced staff within the trust, without allowing over capacity to develop.

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aston Community Education Trust for the year ended 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 operative, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Finance Team and reported to 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.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Hart Shaw LLP 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:

- testing of purchasing systems;
- testing of payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;
- testing of VAT reporting; and
- testing of procedures for the recording of financials and reporting to governors

On a termly basis, Hart Shaw LLP reports to the board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The board of Trustees confirm that Hart Shaw LLP reports to the board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

ASTON COMMUNITY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 reviewer;
- 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 Audit Committee and a plan to address weaknesses, if they arise, and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 20 December 2019 and signed on its behalf by:



J Barton
Chair of Directors/Trustees



E Newton
Accounting Officer

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Aston Community Education Trust 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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.

Eurice Newton

E Newton
Accounting Officer

20 December 2019

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Aston Community Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction issued 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 20 December 2019 and signed on its behalf by:



J Barton

Chair of Directors/Trustees

ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Aston Community Education 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON COMMUNITY EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



Martin McDonagh (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

23 December 2019

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

ASTON COMMUNITY EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTON COMMUNITY EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 26 September 2019 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 Aston Community Education Trust during the period 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 Aston Community Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aston Community Education Trust 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 Aston Community Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Aston Community Education Trust's funding agreement with the Secretary of State for Education dated 29 June 2012 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 period 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.

The work undertaken to draw our conclusion includes:

- systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements;
- detailed substantive testing on revenue and capital transactions to ensure these have been properly reflected and recorded in the financial statements and are for the purpose of the trust; and
- a detailed review of related parties to ensure trustees are not benefitting from transactions with the trust.

ASTON COMMUNITY EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

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



Reporting Accountant

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 23 December 2019

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Endowment Fixed asset £'000	Funds £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	-	4	2,394	-	2,398
Donations - Aquisition of unincorporated charity	29	58	-	-	-	58
Charitable activities:						
- Funding for educational operations	5	-	29,157	-	-	29,157
Other trading activities	4	106	463	-	-	569
Investments	6	3	60	-	-	63
Total		167	29,684	2,394	-	32,245
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	30,855	2,778	-	33,633
Endowment fund management fees		-	-	-	49	49
Total	7	-	30,855	2,778	49	33,682
Gains on endowment investments		-	-	-	24	24
Net income/(expenditure)		167	(1,171)	(384)	(25)	(1,413)
Transfers between funds	20	-	437	(437)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(5,371)	-	-	(5,371)
Net movement in funds		167	(6,105)	(821)	(25)	(6,784)
Reconciliation of funds						
Total funds brought forward		1,683	(9,301)	69,755	2,665	64,802
Total funds carried forward		1,850	(15,406)	68,934	2,640	58,018

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Endowment Funds £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	5	16	1,743	-	1,764
Donations - Transfer from local authority on conversion		71	(48)	1,609	-	1,632
Donations - Transfer of existing academy into the trust		-	(649)	2,752	-	2,103
Donations - Acquisition of unincorporated charity		70	135	69	-	274
Charitable activities:						
- Funding for educational operations	5	-	27,613	-	-	27,613
Other trading activities	4	73	404	-	-	477
Investments	6	2	56	-	-	58
Total		221	27,527	6,173	-	33,921
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	29,971	2,668	-	32,639
Endowment fund management fees		-	-	-	26	26
Total	7	-	29,971	2,668	26	32,665
Gains on endowment investments		-	-	-	126	126
Net income/(expenditure)		221	(2,444)	3,505	100	1,382
Transfers between funds	20	-	(209)	209	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	25	-	2,154	-	-	2,154
Net movement in funds		221	(499)	3,714	100	3,536
Reconciliation of funds						
Total funds brought forward		1,462	(8,802)	66,041	2,565	61,266
Total funds carried forward		1,683	(9,301)	69,755	2,665	64,802

ASTON COMMUNITY EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

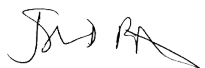
		2019	2018
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	68,498	69,401
Investments	14	2,696	2,721
		<u>71,194</u>	<u>72,122</u>
Current assets			
Stocks	15	48	60
Debtors	16	833	1,083
Cash at bank and in hand		5,370	4,794
		<u>6,251</u>	<u>5,937</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(2,602)	(3,170)
Net current assets		<u>3,649</u>	<u>2,767</u>
Total assets less current liabilities		<u>74,843</u>	<u>74,889</u>
Creditors: amounts falling due after more than one year	18	(154)	(192)
Net assets before defined benefit pension scheme liability		<u>74,689</u>	<u>74,697</u>
Defined benefit pension scheme liability	25	(16,671)	(9,895)
Total net assets		<u>58,018</u>	<u>64,802</u>
Funds of the academy trust:			
Restricted funds	20		
- Fixed asset funds		68,934	69,755
- Restricted income funds		1,265	594
- Pension reserve		(16,671)	(9,895)
- Endowment funds		2,640	2,665
Total restricted funds		<u>56,168</u>	<u>63,119</u>
Unrestricted income funds	20	<u>1,850</u>	<u>1,683</u>
Total funds		<u>58,018</u>	<u>64,802</u>

ASTON COMMUNITY EDUCATION TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

The accounts on pages 33 to 63 were approved by the trustees and authorised for issue on 20 December 2019 and are signed on their behalf by:



J Barton

Chair of Directors/Trustees

Company Number 07577113

ASTON COMMUNITY EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22		(342)		352
Cash funds transferred on conversion			127		277
			<u>(215)</u>		<u>629</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		63		58	
Capital grants from DfE Group		2,356		1,709	
Capital funding received from sponsors and others		38		34	
Purchase of tangible fixed assets		(1,641)		(2,848)	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			816		(1,047)
Cash flows from financing activities					
Repayment of SALIX loan		(25)		(14)	
		<u></u>		<u></u>	
Net cash used in financing activities			(25)		(14)
			<u></u>		<u></u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			576		(432)
Cash and cash equivalents at beginning of the year			4,794		5,226
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>5,370</u>		<u>4,794</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Aston Community Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aston Community Education Trust meets the definition of a public benefit entity under FRS 102.

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 charitable company 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 accounts 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 accounts.

1.3 Conversion to an academy trust/ Transfer from an existing academy trust

The conversion from a state maintained school or from an existing academy trust to Aston Community Education 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 of the predecessor 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 Donations – transfer from local authority on conversion in the Statement of Financial Activities or Donations - transfer from an existing academy trust and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.4 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.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) 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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

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

Expenditure 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	<1%-20% straight line
Assets under construction	Not depreciated
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicated 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 impairment. Impairment losses are recognised in the Statement of Financial Activities.

1.7 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Investments

Fixed asset investments are stated at market value.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.11 Stock

Stock is valued at the lower of cost and net realisable value.

1.12 Taxation

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

1.13 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. The 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 are recognised in the period to which they relate.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

1.14 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.

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education & Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 judgement

The Directors have established that there are no critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	2,356	2,356	1,709
Other donations	-	42	42	55
	<u>-</u>	<u>2,398</u>	<u>2,398</u>	<u>1,764</u>

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	65	-	65	37
Wind turbine income	41	-	41	37
Consultancy	-	-	-	2
External school support	-	186	186	154
Cover for teachers	-	56	56	34
Bolsover Schools Partnership income	-	221	221	213
	<u>106</u>	<u>463</u>	<u>569</u>	<u>477</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	24,658	24,658	23,519
Start up grants	-	253	253	199
Other DfE group grants	-	2,229	2,229	2,090
	<u>-</u>	<u>27,140</u>	<u>27,140</u>	<u>25,808</u>
Other government grants				
Local authority grants	-	954	954	779
	<u>-</u>	<u>954</u>	<u>954</u>	<u>779</u>
Other funding				
Other incoming resources	-	1,063	1,063	1,026
	<u>-</u>	<u>1,063</u>	<u>1,063</u>	<u>1,026</u>
Total funding	<u>-</u>	<u>29,157</u>	<u>29,157</u>	<u>27,613</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	3	-	3	2
Other investment income	-	60	60	56
	<u>3</u>	<u>60</u>	<u>63</u>	<u>58</u>

7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	19,290	2,775	2,182	24,247	23,463
- Allocated support costs	5,673	581	3,132	9,386	9,176
	<u>24,963</u>	<u>3,356</u>	<u>5,314</u>	<u>33,633</u>	<u>32,639</u>
Other expenditure					
Endowment investment costs	-	-	49	49	26
	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>	<u>26</u>
Total expenditure	<u>24,963</u>	<u>3,356</u>	<u>5,363</u>	<u>33,682</u>	<u>32,665</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	16	45
- Other services	30	40
Operating lease rentals	5	32
Depreciation of tangible fixed assets	2,778	2,668
	<u>2,829</u>	<u>2,785</u>

8 Charitable activities

	2019 £'000	2018 £'000
All from restricted funds:		
Direct costs - educational operations	24,247	23,463
Support costs - educational operations	9,386	9,176
	<u>33,633</u>	<u>32,639</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities (Continued)

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	5,673	5,398
Depreciation and amortisation	3	-
Premises costs	1,671	1,552
Other support costs	1,993	2,111
Governance costs	46	115
	<u>9,386</u>	<u>9,176</u>

9 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; and
- others as arising.

The provision of central services is provided by Aston Community Education Trust (ACET). ACET charges a flat rate of 5% of government income. Should any further services be required, the Trust will charge a flat rate for these services.

Some individual schools within the trust have been under financial strain and therefore a reduced or nil top slice has been charged.

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Aston Academy	393	395
Thurcroft Junior Academy	40	44
Lowedges Junior Academy	75	64
Springwood Junior Academy	3	38
Aughton Junior Academy	50	37
Swinton Academy	168	161
Shirebrook Academy	222	276
Temple Normanton Junior Academy	30	30
Listerdale Junior Academy	-	47
Brookfield Junior Academy	50	-
Langwith Bassett Junior Academy	25	-
	<u>1,056</u>	<u>1,092</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	18,109	17,902
Social security costs	1,774	1,703
Pension costs	4,315	3,943
	<hr/>	<hr/>
Amounts paid to employees	24,198	23,548
Agency staff costs	625	560
Staff restructuring costs	36	9
	<hr/>	<hr/>
Amounts paid to staff	24,859	24,117
Staff development and other staff costs	104	140
	<hr/>	<hr/>
Total staff expenditure	24,963	24,257
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	34	-
Severance payments	2	9
	<hr/>	<hr/>
	36	9
	<hr/> <hr/>	<hr/> <hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £2,200 (total for 2018: £8,700).

Staff numbers

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

	2019 Number	2018 Number
Teachers	319	336
Administration and support	442	410
Management	14	13
	<hr/>	<hr/>
	775	759
	<hr/> <hr/>	<hr/> <hr/>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	12	11
£70,001 - £80,000	3	3
£80,001 - £90,000	1	3
£90,001 - £100,000	2	1
£100,001 - £110,000	1	-
£170,001 - £180,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,438,000 (2018 - £1,389,000).

11 Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors 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 Directors' and Officers' indemnity element from the overall cost of the RPA scheme.

12 Trustees' remuneration and expenses

No trustees were remunerated or refunded expenses during the year.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold land and buildings £'000	Assets under construction £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2018	74,729	236	1,748	1,285	146	78,144
Additions	1,549	-	233	93	-	1,875
Transfers	236	(236)	-	-	-	-
At 31 August 2019	76,514	-	1,981	1,378	146	80,019
Depreciation						
At 1 September 2018	6,915	-	1,308	446	74	8,743
Charge for the year	2,312	-	306	142	18	2,778
At 31 August 2019	9,227	-	1,614	588	92	11,521
Net book value						
At 31 August 2019	67,287	-	367	790	54	68,498
At 31 August 2018	67,814	236	440	839	72	69,401

14 Fixed asset investments

	£'000
Market value	
At 1 September 2018	2,721
Management charges paid to fund manager	(49)
Change in value of investments in the year	24
At 31 August 2019	2,696
Historical cost:	
At 31 August 2019	2,000
At 31 August 2018	2,000

Investments held are primarily in respect of an endowment fund acquired by the trust on the transfer of Shirebrook Academy in the year to 31 August 2017. The endowment fund is held for the benefit of the students and local community of Shirebrook Academy. All dividends received are paid directly to Shirebrook Academy, whose governors administer the distribution of the funds whilst adhering to the Deed entered into by the Secretary of State of Education and Allroads (the former sponsor of Shirebrook Academy); and the subsequent Deed of transfer to Aston Community Education Trust.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Stocks	2019	2018
		£'000	£'000
	School uniform	7	15
	Stationery and books	41	45
		<u>48</u>	<u>60</u>
		<u><u>48</u></u>	<u><u>60</u></u>
16	Debtors	2019	2018
		£'000	£'000
	Trade debtors	77	68
	VAT recoverable	255	470
	Other debtors	-	66
	Prepayments and accrued income	501	479
		<u>833</u>	<u>1,083</u>
		<u><u>833</u></u>	<u><u>1,083</u></u>
17	Creditors: amounts falling due within one year	2019	2018
		£'000	£'000
	Government loans	28	25
	Trade creditors	802	1,539
	Other taxation and social security	430	436
	ESFA creditors - abatement of GAG	11	11
	Other creditors	361	365
	Accruals and deferred income	970	794
		<u>2,602</u>	<u>3,170</u>
		<u><u>2,602</u></u>	<u><u>3,170</u></u>
Included within government loans is the portion of the long term SALIX loan which falls due within the following year. The terms of the loan have been discussed in more detail in note 18.			
18	Creditors: amounts falling due after more than one year	2019	2018
		£'000	£'000
	Government loans	149	177
	Amounts due to ESFA	5	15
		<u>154</u>	<u>192</u>
		<u><u>154</u></u>	<u><u>192</u></u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

		(Continued)	
18	Creditors: amounts falling due after more than one year	2019	2018
	Analysis of loans		
	Not wholly repayable within five years by instalments	177	202
	Less: included in current liabilities	(28)	(25)
		<hr/>	<hr/>
	Amounts included above	149	177
		<hr/>	<hr/>
	Loan maturity		
	Debt due in one year or less	28	25
	Due in more than one year but not more than two years	28	28
	Due in more than two years but not more than five years	84	82
	Due in more than five years	37	67
		<hr/>	<hr/>
		177	202
		<hr/>	<hr/>

Included within government loans is the long term portion of the following loans from SALIX, a not for profit organisation funded by The Department for Energy and Climate Change.

Aston Academy received a loan as part of the Academies Capital Maintenance grant. The loan is an interest free loan which was originally scheduled for repayments to commence on 1 March 2015, however due to delays in the project the loan repayments did not commence until 1 March 2017. Repayments of £6,783 will be made twice a year for 8 years until the loan is fully repaid.

Thurcroft Junior Academy received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan with repayments scheduled to commence on 1 March 2017, however, due to delays in the project, these are not due to commence until 1 March 2018. Repayments of £2,502 will be made twice a year for 8 years until the loan is fully repaid.

Lowedges Junior Academy received a loan as part of the Condition Improvement Funding grant. The loan is an interest free loan with repayments scheduled to commence on 1 March 2017, however, due to delays in the project, these are not due to commence until 1 March 2018. Repayments of £1,640 will be made twice a year for 8 years until the loan is fully repaid.

Aston Academy, Thurcroft Junior academy, Springwood Junior Academy, Aughton Junior Academy, Swinton Academy, and Listerdale Junior Academy each received loans of £8,000 as part of the Condition Improvement Funding grant. The loans are interest free loans with repayments set to commence on 1 September 2019. Repayments of £500 per academy will be made twice a year for 8 years until the loans are fully repaid.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	267	235
		=====	=====
	Deferred income at 1 September 2018	235	185
	Released from previous years	(235)	(185)
	Resources deferred in the year	267	235
		=====	=====
	Deferred income at 31 August 2019	267	235
		=====	=====

At the balance sheet date, the Academy Trust was holding in advance £60,000 rates relief, £91,000 of universal infant free school meals funding, £31,000 of early years funding, £17,000 of element 3 funding and £68,000 of trip income relating to 2019/20.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	143	24,658	(24,453)	437	785
Start up grants	-	253	(228)	-	25
Other DfE / ESFA grants	-	2,229	(2,229)	-	-
Other government grants	-	954	(954)	-	-
Building maintenance fund	294	-	-	-	294
Other restricted funds	157	1,590	(1,586)	-	161
	<u>594</u>	<u>29,684</u>	<u>(29,450)</u>	<u>437</u>	<u>1,265</u>
Funds excluding pensions	594	29,684	(29,450)	437	1,265
Pension reserve	(9,895)	-	(1,405)	(5,371)	(16,671)
	<u>(9,301)</u>	<u>29,684</u>	<u>(30,855)</u>	<u>(4,934)</u>	<u>(15,406)</u>
Restricted fixed asset funds					
Inherited on conversion	61,253	-	(2,297)	(6)	58,950
DfE group capital grants	6,834	2,356	(222)	(399)	8,569
Capital expenditure from GAG	1,623	-	(258)	(32)	1,333
Private sector capital sponsorship	45	38	(1)	-	82
	<u>69,755</u>	<u>2,394</u>	<u>(2,778)</u>	<u>(437)</u>	<u>68,934</u>
Restricted endowment fund	<u>2,665</u>	<u>-</u>	<u>(49)</u>	<u>24</u>	<u>2,640</u>
Total restricted funds	<u>63,119</u>	<u>32,078</u>	<u>(33,682)</u>	<u>(5,347)</u>	<u>56,168</u>
Unrestricted funds					
General funds	<u>1,683</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>1,850</u>
Total funds	<u>64,802</u>	<u>32,245</u>	<u>(33,682)</u>	<u>(5,347)</u>	<u>58,018</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

General Annual Grant

The General Annual Grant (GAG) fund has been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward.

Other DfE/EFA grants

This includes the Pupil Premium funding, School Direct funding and the Universal Infant Free School Meals grant.

The Pupil Premium is additional funding given to academies so that they can support their disadvantaged pupils and close the attainment gap between them and their peers.

The School Direct funding is grants received to support teacher training.

The Universal Infant Free School Meals grant is for the provision of free school meals for infant pupils.

Other government grants

This includes nursery funding and Pupil Premium funding for Looked After Children, both received from the Local Authority.

The nursery funding is for the nursery provision across the Trust.

The Pupil Premium funding for Looked After Children is a specific grant to support each Looked After Child within the academy trust's care.

Building maintenance fund

The building maintenance fund includes surplus funding transferred from the General Annual Grant fund which has been set aside for future building maintenance work.

Other restricted funds

Other restricted funds includes income for hire of facilities, money collected for trips, tuck shops and other educational trading activities which is directly for the benefit of the pupils within the Trust.

The restricted pension fund is in deficit to the value of £16,761,000 (2018 - £9,895,000) as at 31 August 2019. However a significant portion of this deficit was inherited upon conversion to Academy status. The Directors will continue to monitor this situation closely.

Restricted fixed asset fund

The restricted fixed asset fund consists of fixed assets transferred from the local authority on conversion to academy trust, fixed assets obtained through ESFA capital grant expenditure and fixed assets purchased from GAG / other funding.

A total of £477,000 (2018 - £nil) has been transferred from the restricted fixed asset fund to restricted funds to cover the cost of capital work which did not meet the recognition criteria to be classified as an asset.

A total of £40,000 (2018 - £209,000) has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction.

Unrestricted funds

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	719	23,519	(23,886)	(209)	143
Start up grants	270	199	(469)	-	-
Other DfE / ESFA grants	145	2,090	(2,235)	-	-
Other government grants	-	779	(779)	-	-
Building maintenance fund	294	-	-	-	294
Other restricted funds	130	1,646	(1,619)	-	157
Pension reserve	(10,360)	(706)	(983)	2,154	(9,895)
	<u>(8,802)</u>	<u>27,527</u>	<u>(29,971)</u>	<u>1,945</u>	<u>(9,301)</u>
Restricted fixed asset funds					
Transfer on conversion	59,188	4,430	(2,274)	(91)	61,253
DfE group capital grants	5,313	1,709	(103)	(85)	6,834
Capital expenditure from GAG	1,528	-	(290)	385	1,623
Private sector capital sponsorship	12	34	(1)	-	45
	<u>66,041</u>	<u>6,173</u>	<u>(2,668)</u>	<u>209</u>	<u>69,755</u>
Restricted endowment fund	<u>2,565</u>	<u>-</u>	<u>(26)</u>	<u>126</u>	<u>2,665</u>
Total restricted funds	<u>59,804</u>	<u>33,700</u>	<u>(32,665)</u>	<u>2,280</u>	<u>63,119</u>
Unrestricted funds					
General funds	<u>1,462</u>	<u>221</u>	<u>-</u>	<u>-</u>	<u>1,683</u>
Total funds	<u>61,266</u>	<u>33,921</u>	<u>(32,665)</u>	<u>2,280</u>	<u>64,802</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Aston Academy	628	523
Thurcroft Junior Academy	237	145
Lowedges Junior Academy	239	65
Springwood Junior Academy	(82)	(141)
Aughton Junior Academy	51	(39)
Swinton Academy	(123)	(130)
Shirebrook Academy	1,020	1,177
Temple Normanton Junior Academy	127	100
Listerdale Junior Academy	(90)	(126)
Brookfield Junior Academy	54	10
Langwith Bassett Junior Academy	80	60
Central services	974	633
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	3,115	2,277
Endowment Fund	2,640	2,665
Restricted fixed asset fund	68,934	69,755
Pension reserve	(16,671)	(9,895)
	<hr/>	<hr/>
Total funds	58,018	64,802
	<hr/>	<hr/>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation & endowment fund costs	Total 2019
	£'000	£'000	£'000	£'000	£'000
Aston Academy	5,873	1,959	516	1,210	9,558
Thurcroft Junior Academy	706	189	29	247	1,171
Lowedges Junior Academy	1,088	229	35	302	1,654
Springwood Junior Academy	714	221	48	192	1,175
Aughton Junior Academy	561	162	28	169	920
Swinton Academy	3,393	1,244	181	535	5,353
Shirebrook Academy	3,950	787	246	1,086	6,069
Temple Normanton Junior Academy	301	46	19	90	456
Listerdale Junior Academy	889	164	34	227	1,314
Brookfield Junior Academy	741	232	37	199	1,209
Langwith Bassett Junior Academy	414	112	24	179	729
Central services	654	334	72	187	1,247
	<u>19,284</u>	<u>5,679</u>	<u>1,269</u>	<u>4,623</u>	<u>30,855</u>

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation & endowment fund costs	Total 2018
	£'000	£'000	£'000	£'000	£'000
Aston Academy	6,028	1,804	186	1,535	9,553
Thurcroft Junior Academy	775	108	12	245	1,140
Lowedges Junior Academy	1,112	293	11	297	1,713
Springwood Junior Academy	675	187	15	228	1,105
Aughton Junior Academy	596	126	12	209	943
Swinton Academy	3,402	1,124	68	678	5,272
Shirebrook Academy	3,466	1,266	50	1,392	6,174
Temple Normanton Junior Academy	336	60	16	93	505
Listerdale Junior Academy	902	138	9	292	1,341
Brookfield Junior Academy	310	109	8	121	548
Langwith Bassett Junior Academy	93	14	5	40	152
Central services	1,163	171	10	180	1,524
	<u>18,858</u>	<u>5,400</u>	<u>402</u>	<u>5,310</u>	<u>29,970</u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	68,498	-	68,498
Fixed asset investments	-	56	-	2,640	2,696
Current assets	3,689	1,209	1,353	-	6,251
Creditors falling due within one year	(1,834)	-	(768)	-	(2,602)
Creditors falling due after one year	(5)	-	(149)	-	(154)
Defined benefit pension liability	-	(16,671)	-	-	(16,671)
Total net assets	1,850	(15,406)	68,934	2,640	58,018

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	69,401	-	69,401
Fixed asset investments	-	56	-	2,665	2,721
Current assets	1,780	3,210	947	-	5,937
Creditors falling due within one year	(97)	(2,657)	(416)	-	(3,170)
Creditors falling due after one year	-	(15)	(177)	-	(192)
Defined benefit pension liability	-	(9,895)	-	-	(9,895)
Total net assets	1,683	(9,301)	69,755	2,665	64,802

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Reconciliation of net (expenditure)/income to net cash flow from operating activities		
	2019	2018
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,413)	1,382
Adjusted for:		
Net surplus on conversion/ transfer to trust	(127)	(4,009)
Capital grants from DfE/ESFA and other capital income	(2,394)	(1,743)
Net endowment expenditure/(income)	25	(100)
Investment income receivable	(63)	(58)
Defined benefit pension costs less contributions payable	1,140	726
Defined benefit pension net finance cost	265	257
Depreciation of tangible fixed assets	2,778	2,666
Decrease/(increase) in stocks	12	(4)
Decrease in debtors	250	1,596
(Decrease) in creditors	(815)	(370)
Stocks, debtors and creditors transferred on conversion	-	9
Net cash (used in)/provided by operating activities	(342)	352

23 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£'000	£'000
Amounts due within one year	7	5
Amounts due in two and five years	12	7
	<u>19</u>	<u>12</u>

24 Capital commitments

	2019	2018
	£'000	£'000
Expenditure contracted for but not provided in the accounts	-	466

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which are managed by Mercer and Hymans Robertson. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £361,000 were payable to the schemes at 31 August 2019 (2018: £336,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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.

The employer's pension costs paid to the TPS in the period amounted to £1,977,000 (2018: £2,026,000).

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

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.5% to 16.7% for employers and 5.5% to 12.5% for employees.

As described in note 29 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	1,189	1,071
Employees' contributions	335	315
	<hr/>	<hr/>
Total contributions	1,524	1,386
	<hr/>	<hr/>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.10	2.2
Discount rate for scheme liabilities	1.80	2.8
Inflation assumption (CPI)	2.00	2.1
	<hr/>	<hr/>

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
Retiring today		
- Males	23.1	23.0
- Females	25.9	25.2
Retiring in 20 years		
- Males	25.3	25.8
- Females	28.3	28.1
	<hr/>	<hr/>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019	2018
Discount rate + 0.1%	(737)	(1,048)
Discount rate - 0.1%	753	1071
Mortality assumption + 1 year	550	689
Mortality assumption - 1 year	(544)	(681)
CPI rate + 0.1%	715	923
CPI rate - 0.1%	(700)	(903)
	<u> </u>	<u> </u>

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	7,473	6,490
Government bonds	2,298	1,774
Other bonds	747	613
Cash/liquidity	570	597
Property	1,168	1,025
Other assets	1,451	916
	<u> </u>	<u> </u>
Total market value of assets	13,707	11,415
	<u> </u>	<u> </u>

The actual return on scheme assets was £862,000 (2018: £495,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	1,701	1,781
Past service cost	612	-
Interest income	(341)	(242)
Interest cost	606	499
Administration costs	16	16
	<u> </u>	<u> </u>
Total operating charge	2,594	2,054
	<u> </u>	<u> </u>

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September 2018	21,310	19,104
Transferred in on existing academies joining the academy trust	-	1,464
Current service cost	1,701	1,781
Interest cost	606	499
Employee contributions	335	315
Actuarial loss/(gain)	5,892	(1,901)
Benefits paid	(78)	48
Past service cost	612	-
At 31 August 2019	30,378	21,310
Changes in the fair value of the academy trust's share of scheme assets	2019 £'000	2018 £'000
At 1 September 2018	11,415	8,744
Transferred in on existing academies joining the academy trust	-	758
Interest income	341	242
Actuarial gain	521	253
Employer contributions	1,189	1,071
Employee contributions	335	315
Benefits paid	(78)	48
Administration costs	(16)	(16)
At 31 August 2019	13,707	11,415

26 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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place.

27 Post balance sheet events

The Trust are proud sponsors of Waverley Junior Academy which is in the process of being built in Rotherham. The Trust expects the building work to be completed and for the Trust to take control of the premises from August 2020. The academy is expected to open in September 2020.

ASTON COMMUNITY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

28 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

29 Aquisition of unincorporated charity

On 1 August 2019 the operations, assets and liabilities of Langwith Bassett Pre-School were transferred to Aston Community Education Trust for £nil consideration. The pre-school is located on the site of Langwith Bassett Junior Academy (part of the academy trust).

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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – acquisition of unincorporated charity.

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.

Net assets transferred:	£'000
Cash	58
	<hr/>