

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

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ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

| | |
|-----------------|---|
| Members | Mr Stuart Dixon (resigned 6 July 2018) Mr Mark Mishon Mr Anthony Ugorji Mr Rudi Ramdarshan Dr Alan Davison Mr James Fowler (resigned 7 December 2017) |
| Trustees | Mrs Gonul Daniels, Vice Chair of Trustees, appointed Interim Chair 9 July 2018 Mr Stuart Dixon, Chair of Trustees (resigned 6 July 2018) Mr Mark Mishon ¹ Mr Anthony Ugorji ¹ Mr Rudi Ramdarshan ¹ Dr Alan Davison Mr Emanuele Vadilonga Mr Derrick Brown, Head Teacher and Accounting Officer ¹ Mr Jon Bradbury ¹ |

¹ Members of the Finance & General Purpose Committee

**Company registered
number** 07375627

(Registered in England and Wales)

Company name Ashmole Academy Trust Limited

**Principal and registered
office** Cecil Road
London
N14 5RJ

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary Ms Melissa Brennan

**Senior management
team**

Mr Derrick Brown, Head Teacher
Mr Tim Sullivan, Associate Head
Ms Melissa Brennan, Chief Finance Officer
Ms Jen Hart, Deputy Head
Mr Balbinder Dhinsa, Deputy Head
Mr Tom Mann, Deputy Head (appointed 1 September, resigned 31 August 2018)

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers

Barclays Bank plc
1250 High Road
Whetstone
London
N20 0WE

ASHMOLE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees who are also the Directors of the charity for the purposes of the Companies Act present their annual report together with the financial statements and auditors' reports of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates a non-selective Multi Academy Trust (MAT of two schools) for pupils aged 4 to 19 with admissions based on a published set of admissions criteria as found on our website. It has a pupil capacity of 1807 and a roll of 1713 in the school census on 5 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee, incorporated in England and Wales and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Academy is a multi-academy trust and these Financial Statements are the results of the multi academy trust.

The Trustees of Ashmole Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Ashmole Academy Trust Ltd. The charitable company's memorandum and Articles of Association are the primary governing documents of the academy trust. During the period, two individual schools operated under their own names:

- Ashmole Primary School
- Ashmole School

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The insurance was covered by the Department of Education's Risk Protection Arrangement (RPA) and provides cover up to £10,000,000 on any one claim and in the period no sums were paid out. The cost of this insurance in the year was £34k which was included in the total cost of insurance.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed by the Members based on the needs of the Trust. The Members will use external providers including the Department for Education, Academies Ambassadors and Freedom and Autonomy for Schools National Association to assist in this in the identification and selection of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Policies and Procedures for the recruitment, induction and training of governors and trustees are available from the Clerk to the Trustees.

Organisational Structure

Ashmole School became a 'converter' Academy as an outstanding school on 1 October 2010. It has approximately 1530 students with an intake of 261 at Year 7. The Academy has a Sixth Form of 314. The primary school has 180 pupils.

ASHMOLE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Academy is led by a Head Teacher and a Leadership Team consisting of an Associate Head Teacher, Deputy Head Teachers and a Chief Finance Officer. The Leadership Team is responsible for the operation of the school adhering to policies and procedures determined by the Governing Body or the Head Teacher. The Leadership Team is accountable to the Head Teacher. The Primary School is led by a Head Teacher.

Each of the two schools within the multi academy trust has a local advisory body that operate under delegated powers as laid out in the scheme of delegation. The advisory committees influence the strategic development of the individual schools and have a role in shaping policy and in supporting the Board of Trustees in governance.

The Head Teacher has delegated spending authority as detailed and published by the Governing Body. In the Academy some of the Head Teacher's delegated authority will be delivered to members of the Leadership Team and Heads of Departments within limits allocated.

Arrangements for setting pay and remuneration of key management personnel

The trustees are not remunerated in their role as Trustees. The Key Management Personnel of the Academy are the Senior Leadership Team and the Trustees. The remuneration of the Senior Leadership Team is reviewed by the Trustees following appraisals.

The policy for decisions on pay for employees of Multi Academy Trust complies with current legislation and the requirements of the School Teachers' Pay & Conditions Document and the Conditions of Service for School Teachers in England and Wales (commonly known as the "Burgundy Book"), the National Joint Council for Local Government Services National Agreement on Pay & Conditions of Services ("Green Book") and any local pay/grading system for Support staff. The policy has been consulted on with staff and the recognised trade union.

Trade Union facility time

There were no employee union officials during the year, and no time was spent on trade union facility time.

Related parties and other connected charities and organisations

Ashmole Academy Trust is independent and is not part of any federation. The Trust has a dormant subsidiary, The Ashmole Academy Trading Company Limited, which is not consolidated.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Ashmole Academy and the Primary to provide education for male or female students of different abilities between the ages of 4 and 19. The Academy and Primary are both inclusive, comprehensive schools which welcome applications from all young people as outlined by the published admissions policy.

The charitable company has adopted policies approved by the Secretary of State for Children, Schools and Families. These policies specify, amongst other things, the basis for admitting students to the Academy and the Primary and that the curriculum should comply with the substance of the national curriculum.

ASHMOLE ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, Strategies and Activities

The Trust motto is 'excellence is a habit', and that underpins the commitment to provide the highest standard of education at its two schools. The aim and values of the two schools are on the website.

The Trust is distinguished by:

- a brand new Primary School building which opened on 1st September 2018
- an all through ethos providing education for young people between the ages of 4 and 19
- highest quality facilities, both indoor and outdoor
- an outstanding staff, talented, dedicated and innovative
- outstanding academic progress and achievement for its students

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The Ashmole Academy Trust promotes education for the benefit of the local community in Southgate. In addition to the Education activities for the pupils, the Academy Trust offers recreational and other facilities to a variety of local Community groups outside of school hours for the benefit of the general public. The usage of these facilities has grown during the year. Community based projects are also undertaken during the year by staff and students which further enhances the public benefit.

STRATEGIC REPORT

Achievements and Performance

The Ofsted rating for the Academy is outstanding. The Academy continues to deliver outstanding performance in the national league tables. For example in 2018 at GCSE the Academy had a Progress 8 Score of 0.97. Similarly, the Primary School achieved outstanding performance. In 2018 its Good Level of Development for Reception was an exceptional 85% and the Year 1 Phonics Screening was 98%. Full analysis of results can be found on the website.

In addition to the above both the Academy and the primary school are very popular schools, and both were oversubscribed.

Key Financial Performance Indicators

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income (excluding fixed assets). For the year ended 31 August 2018 staffing costs amounted to 72% of total income (2017: 79.1%).

Total income per pupil increased to £6,814 (2017: £6,267).

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

The Academy Trusts' total incoming resources for the year ended 31 August 2018 amounted to £11,672,176 (2017: £10,345,178).

The Trust received ESFA General Annual Grant (GAG) funding totalling £8,626,685 (2017: £8,120,413). The remaining income comprised capital grants of £6,090,197 (£377,795), other government grant funding totalling £821,254 (2017: £821,254), interest receivable £150 (2017: NIL), donations of £1,105 (£510) and other income of £1,132,785 (2017: £1,031,531).

At 31 August 2018, the net book value of tangible fixed assets was £20,222,306 (2017: £14,444,886), and depreciation of £432,961 (2017: £429,911) has been charged in the financial statements. The main GAG and other grant related expenditure has been funded through in year income.

The Academy held fund balances at 31 August 2018 of £18,361,710 (2017: £12,312,408), of which £18,216,739 (2017: £12,165,341) are restricted in nature and £144,971 (2017: £147,067) unrestricted. Pension deficits of £2,165,000 (2017: £2,308,000) are included in restricted funds.

Reserves Policy

It is the Trustees' objective to maintain a structure of prudent financial management.

At 31 August 2018 the total funds comprised:

| | |
|-------------------------------|---------------------|
| Unrestricted: | £144,971 |
| Restricted: Fixed asset funds | £20,262,444 |
| Other: | £119,295 |
| Pension reserve: | <u>(£2,165,000)</u> |
| Total: | £18,361,710 |

The two individual schools within the MAT regularly review their income and expenditure and identify an appropriate level of free reserves, these are considered to be general unrestricted reserves. We aim to keep between 1 month of unrestricted expenditure as a percentage of free reserves. Reserves are intended to ensure that the Academy and the Primary are equipped with enough high quality equipment to meet their aims and to ensure that a robust maintenance and renewal programme can be planned and carried out.

We are currently holding £144,971 which is almost 2 months of expenditure. Excess funds are held for future capital and growth plans that we have identified. The Trustees will keep the level of reserves under review.

The deficit in the Pension Reserve is addressed in note 21 to the financial statements.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Multi Academy Trust, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

Due to the Nature of funding, the MAT may at times hold cash balances surplus to its short term requirements. The governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

Outlined below is a description of the principal risk factors that may affect the MAT. Local risks are monitored by the local advisory bodies. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

1. Government funding

The Trust has considerable reliance on continued government funding through the ESFA. In 2017/18, 89% (2016/17: 90%) of the Trust's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA

2. Maintain adequate funding of pension liabilities.

The financial statements report the share of the pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS 102. The liability does not result in an immediate cash flow impact on the Multi Academy Trust. Plans to eliminate the pension deficit are incorporated into the plans of the MAT.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any subcommittee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Fundraising

Ashmole does not use any professional fund raisers. All fund raising activity is monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The schools in the Trust have a comprehensive three year plan, a copy of which is available. The schools intend to implement their plans and actions as specified within that plan. The construction of the primary school was completed in this academic year.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors hold no funds on behalf of others as Custodian trustees.

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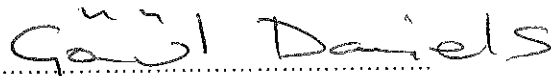
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

AUDITOR

In so far 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 Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:



Mrs Gonul Daniels
Chair of Trustees

ASHMOLE ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Stuart Dixon (chairman) resigned 5.7.2018 | 5 | 5 |
| Mrs Gonul Daniels (appointed as Chair 9.7.2018) | 5 | 6 |
| Mr Mark Mishon | 6 | 6 |
| Mr Anthony Ugorji | 6 | 6 |
| Mr Rudi Ramdarshan | 6 | 6 |
| Dr Alan Davidson | 5 | 6 |
| Mr Emanuele Vadilonga | 4 | 6 |
| Mr Derrick Brown, Head Teacher and Accounting Officer | 6 | 6 |
| Mr Jon Bradbury | 6 | 6 |
| Mr James Fowler removed 7.12.2017 | 0 | 1 |

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. This function has been delegated down as in the scheme of delegation to the Finance and General Purpose Committee of the two governing committees.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the Financial Statements and the Management Letter.

Attendance at meetings in the year was as follows:

| Trustee | Meetings Attended | Out of a possible |
|---------------|-------------------|-------------------|
| John Bradbury | 1 | 1 |
| Stuart Dixon | 1 | 1 |

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Chief Executive 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- A continual focus on achieving best value for money through reviewing suppliers and costs, up to and including running tender processes where appropriate.
- The Trust continues to improve and develop its programme of community lettings. These not only provide additional income but allow structured use of the Trust facilities by community groups.
- The Trust runs a Schools Direct Teacher Training programme which allows us to train teachers, aiding recruitment in both the Primary and Secondary School and our partner schools.
- The Trust develops value for money in terms of its outstanding performance.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ashmole Academy Trust for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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 Mr Robert Ashdown 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 payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, Robert Ashdown, the internal auditor reports to the Board of Trustees, through the Trustee meetings on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No material control issues were identified during the period.

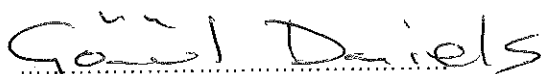
REVIEW OF EFFECTIVENESS

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

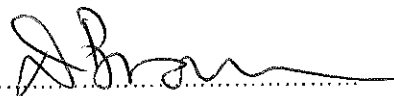
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:



Gonul Daniels
Chair of Trustees



Derrick Brown
Accounting Officer

ASHMOLE ACADEMY TRUST
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of Ashmole Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Derrick Brown
Accounting officer

12/12/18

Date:

ASHMOLE ACADEMY TRUST LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

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



.....
Mrs Gonul Daniels
Chair of Trustees

Date: 12/12/18

ASHMOLE ACADEMY TRUST LIMITED

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF
ASHMOLE ACADEMY TRUST LIMITED**

OPINION

We have audited the financial statements of Ashmole Academy Trust Limited (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF
ASHMOLE ACADEMY TRUST LIMITED**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF
ASHMOLE ACADEMY TRUST LIMITED**

concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

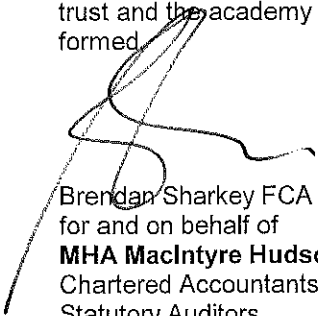
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Brendan Sharkey FCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 17 December 2018.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASHMOLE ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 September 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ashmole Academy Trust Limited during the year 1 September 2017 to 31 August 2018 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 Ashmole Academy Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ashmole Academy Trust Limited and the 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 Ashmole Academy Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASHMOLE ACADEMY TRUST LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Ashmole Academy Trust Limited's funding agreement with the Secretary of State for Education dated 27 September 2010, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASHMOLE ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 17 December 2018.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

| | Note | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed assets 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | 1,105 | - | 6,090,197 | 6,091,302 | 378,305 |
| Charitable activities: | 5 | | | | | |
| Teaching school | | - | 72,600 | - | 72,600 | 167,400 |
| Other charitable activities | | 678,950 | 9,525,040 | - | 10,203,990 | 9,534,758 |
| Other trading activities | 3 | 304,134 | - | - | 304,134 | 264,715 |
| Investments | 4 | 150 | - | - | 150 | - |
| TOTAL INCOME | | 984,339 | 9,597,640 | 6,090,197 | 16,672,176 | 10,345,178 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | 80,174 | - | - | 80,174 | 76,595 |
| Charitable activities | | 840,459 | 9,770,280 | 432,961 | 11,043,700 | 10,738,885 |
| TOTAL EXPENDITURE | 6 | 920,633 | 9,770,280 | 432,961 | 11,123,874 | 10,815,480 |
| NET INCOME BEFORE TRANSFERS | | 63,706 | (172,640) | 5,657,236 | 5,548,302 | (470,302) |
| Transfers between funds | 17 | (65,802) | (74,955) | 140,757 | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | (2,096) | (247,595) | 5,797,993 | 5,548,302 | (470,302) |
| Actuarial gains on defined benefit pension schemes | 21 | - | 501,000 | - | 501,000 | 1,662,000 |
| NET MOVEMENT IN FUNDS | | (2,096) | 253,405 | 5,797,993 | 6,049,302 | 1,191,698 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 147,067 | (2,299,110) | 14,464,451 | 12,312,408 | 11,120,710 |
| TOTAL FUNDS CARRIED FORWARD | | 144,971 | (2,045,705) | 20,262,444 | 18,361,710 | 12,312,408 |


The notes on pages 22 to 48 form part of these financial statements.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07375627

BALANCE SHEET
AS AT 31 AUGUST 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|--|------|--------------------|--------------------|-------------|-------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 20,222,306 | | 14,444,886 |
| Investments | 14 | | 2 | | 2 |
| | | | 20,222,308 | | 14,444,888 |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 379,065 | | 427,327 | |
| Cash at bank and in hand | 20 | 637,401 | | 468,718 | |
| | | 1,016,466 | | 896,045 | |
| CREDITORS: amounts falling due within one year | 16 | (712,064) | | (720,525) | |
| NET CURRENT ASSETS | | | 304,402 | | 175,520 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 20,526,710 | | 14,620,408 |
| Defined benefit pension scheme liability | 21 | | (2,165,000) | | (2,308,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | 18,361,710 | | 12,312,408 |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 17 | 119,295 | | 8,890 | |
| Restricted fixed assets | 17 | 20,262,444 | | 14,464,451 | |
| Restricted income funds excluding pension liability | | 20,381,739 | | 14,473,341 | |
| Pension reserve | | (2,165,000) | | (2,308,000) | |
| Total restricted income funds | | | 18,216,739 | | 12,165,341 |
| Unrestricted income funds | 17 | | 144,971 | | 147,067 |
| TOTAL FUNDS | | | 18,361,710 | | 12,312,408 |

The financial statements on pages 19 to 48 were approved by the Trustees, and authorised for issue, on 12/12/18 and are signed on their behalf, by:


Mrs Gonul Daniels
Chair of Trustees

The notes on pages 22 to 48 form part of these financial statements.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

| | Note | 2018 £ | 2017 £ |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 288,718 | 290,114 |
| Cash flows from investing activities: | | | |
| Investment income | | 150 | - |
| Purchase of tangible fixed assets | | (6,210,382) | (508,492) |
| Capital grants from DfE Group | | 6,090,197 | 377,785 |
| Net cash used in investing activities | | (120,035) | (130,707) |
| Change in cash and cash equivalents in the year | | 168,683 | 159,407 |
| Cash and cash equivalents brought forward | | 468,718 | 309,311 |
| Cash and cash equivalents carried forward | | 637,401 | 468,718 |

The notes on pages 22 to 48 form part of these financial statements.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Ashmole Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office and principal place of operation is detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

Ashmole Academy Trust Limited constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling, the functional currency, rounded to the nearest £1.

Ashmole Academy Trust Limited has a subsidiary undertaking, (note 14). The subsidiary is included at a cost of £2 in the financial statements. The subsidiary has been dormant from incorporation. Group accounts are not prepared as the subsidiary is immaterial.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities incorporating Income and Expenditure Account when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------|---|---|
| Freehold property | - | 2.2% to 3.3% per annum on a straight line basis |
| Furniture and equipment | - | 20% per annum on a straight line basis |
| Plant and equipment | - | 7.1% per annum on a straight line basis |
| Assets under construction | - | Not depreciated until brought into use |
| Computer equipment | - | 33% per annum on a straight line basis |
| Freehold land | - | Not depreciated |

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

1.6 Operating leases

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

1.7 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.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

The academy trust has an investment in an unlisted, dormant subsidiary with aggregate share capital and reserves of £2. This subsidiary is not consolidated due to immateriality. The financial statements reflect the transactions of the company.

1.9 Debtors

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

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employees. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Pensions (continued)

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

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

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

Restricted general funds comprise all other restricted funds received and includes grants from the Education and Skills Funding Agency and the Department of Education.

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

1.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 as detailed in note 15. 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 costs as detailed in note 16. 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 instruments.

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised into the financial statements are those concerning depreciation policies and asset lives.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed assets 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 1,105 | - | - | 1,105 | 510 |
| Capital grants | - | - | 6,090,197 | 6,090,197 | 377,795 |
| Total 2018 | 1,105 | - | 6,090,197 | 6,091,302 | 378,305 |
| Total 2017 | 510 | - | 377,795 | 378,305 | |

3. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental income | 157,740 | - | 157,740 | 162,224 |
| Other income | 25,243 | - | 25,243 | 4,187 |
| Music income | 65,530 | - | 65,530 | 40,559 |
| Shop income | 18,303 | - | 18,303 | 22,092 |
| Revision courses | 37,318 | - | 37,318 | 35,653 |
| Total 2018 | 304,134 | - | 304,134 | 264,715 |
| Total 2017 | 264,715 | - | 264,715 | |

4. INVESTMENT INCOME

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | 150 | - | 150 | - |

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 8,626,685 | 8,626,685 | 8,120,413 |
| Pupil premium | - | 201,950 | 201,950 | 195,615 |
| Start up grants | - | 82,500 | 82,500 | 95,500 |
| Other ESFA/DfE grants | - | 153,878 | 153,878 | 32,488 |
| | - | 9,065,013 | 9,065,013 | 8,444,016 |
| Other government grants | | | | |
| Special education grants | - | 199,824 | 199,824 | 214,781 |
| Teaching school grants | - | 72,600 | 72,600 | 167,400 |
| Local authority grants | - | 110,502 | 110,502 | 109,655 |
| | - | 382,926 | 382,926 | 491,836 |
| Other funding | | | | |
| Trip income | - | 149,701 | 149,701 | 117,713 |
| Other income | 113,008 | - | 113,008 | 88,537 |
| Catering income | 565,942 | - | 565,942 | 560,056 |
| | 678,950 | 149,701 | 828,651 | 766,306 |
| Total 2018 | 678,950 | 9,597,640 | 10,276,590 | 9,702,158 |
| Total 2017 | 648,593 | 9,053,565 | 9,702,158 | |

There are no unfulfilled conditions or other contingencies attached to the government grants above.

ASHMOLE ACADEMY TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

| | Staff costs 2018 £ | Premises 2018 £ | Other costs 2018 £ | Total 2018 £ | Total 2017 £ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Fundraising expenses | - | - | 80,174 | 80,174 | 76,595 |
| Educational operations: | | | | | |
| Direct costs | 6,273,137 | 432,961 | 707,340 | 7,413,438 | 7,655,568 |
| Support costs | 1,980,984 | - | 1,649,278 | 3,630,262 | 3,083,317 |
| Total 2018 | <u>8,254,121</u> | <u>432,961</u> | <u>2,436,792</u> | <u>11,123,874</u> | <u>10,815,480</u> |
| Total 2017 | <u>7,880,325</u> | <u>429,912</u> | <u>2,505,243</u> | <u>10,815,480</u> | |

The total expenditure of £11,123,874 (2017 - £10,815,480) comprised £920,633 (2017 - £660,233) from unrestricted funds, £432,961 (2017 - £523,559) from restricted fixed asset funds and £9,770,280 (2017 - £9,631,688) from restricted funds.

Of the above total costs, £69,214 (2017 - £167,400) relates to expenditure of the teaching school grants. Teaching school grant expenditure relates to salary costs of £54,540 (2017 - £91,800), training courses of £14,674 (2017 - £38,700) and payments to other schools of £Nil (2017 - £36,900).

7. CHARITABLE EXPENDITURE

| | Direct costs 2018 £ | Support costs 2018 £ | Total 2018 £ | Total 2017 £ |
|-----------------------|---------------------------|-------------------------------|--------------------|--------------------|
| Charitable activities | <u>7,413,438</u> | <u>3,630,262</u> | <u>11,043,700</u> | <u>10,738,885</u> |
| Total 2017 | <u>7,655,568</u> | <u>3,083,317</u> | <u>10,738,885</u> | |

Central services charges are disclosed in note 12.

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FOR THE YEAR ENDED 31 AUGUST 2018

7. CHARITABLE EXPENDITURE (continued)

Analysis of support costs

| | Educational operations £ | Total 2018 £ | Total 2017 £ |
|---------------------------------------|---|-----------------------------|-----------------------------|
| Staff costs | 1,980,984 | 1,980,984 | 1,298,752 |
| Maintenance of premises and equipment | 682,635 | 682,635 | 562,483 |
| Energy | 96,954 | 96,954 | 91,999 |
| Insurance | 38,211 | 38,211 | 36,370 |
| Catering | 362,177 | 362,177 | 535,345 |
| Cleaning | 128,381 | 128,381 | 169,374 |
| Other support costs | 241,769 | 241,769 | 341,895 |
| Security and transport | 26,666 | 26,666 | 5,836 |
| Governance costs | 72,485 | 72,485 | 41,263 |
| | 3,630,262 | 3,630,262 | 3,083,317 |
| At 31 August 2017 | 3,083,317 | 3,083,317 | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: - owned by the charity | 432,962 | 429,911 |
| Auditors' remuneration - audit | 13,000 | 10,115 |
| Auditors' remuneration - other services | 9,510 | 4,385 |
| Governance Internal audit costs | 1,800 | 1,800 |
| Operating lease rentals | 320,405 | 322,311 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 6,165,041 | 5,875,658 |
| Social security costs | 645,529 | 612,897 |
| Pension costs | 1,392,164 | 1,374,589 |
| | <u>8,202,734</u> | <u>7,863,144</u> |
| Agency staff costs | 51,387 | 17,181 |
| | <u>8,254,121</u> | <u>7,880,325</u> |

b. Staff numbers

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

| | 2018 No. | 2017 No. |
|----------------------------|-------------|-------------|
| Teachers | 92 | 87 |
| Administration and support | 91 | 66 |
| Management | 14 | 13 |
| | <u>197</u> | <u>166</u> |

c. Higher paid staff

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

| | 2018 No. | 2017 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 7 | 4 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £80,001 - £90,000 | 1 | 1 |
| In the band £160,001 - £170,000 | 1 | 1 |

Nine of the above employees participated in the Teacher's Pension Scheme (2017 - 5). During the year ended 31 August 2018, pension contributions for these staff amounted to £100,246 (2017 - £58,324).

There were no pension contributions to the Local Government Pension Scheme for higher paid staff in the current year (2017 - £8,427).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

d. 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 employers' national insurance and employers' pension contributions) received by Key Management Personnel in the year to 31 August 2018 comprises: £564,632 (2017 - £484,608) received by the Senior Management Team for their services to the Academy Trust; and employee benefits (including employer pension contributions) received by the Trustees for their services to the Academy Trust as disclosed in note 10. The Head Teacher is both a Trustee and a member of the Senior Management Team.

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits during the period which they were Trustees was as follows:

| | 2018 £ | 2017 £ |
|--|-----------------|-----------------|
| Mr Derrick Brown, Head Teacher and Accounting Officer | 160,000-165,000 | 160,000-165,000 |
| Remuneration | | |

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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 cover losses that arise. This scheme protects trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000 (2017: £10,000,000). It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. CENTRAL SERVICES

Ashmole Academy incurs the costs of the following central services on behalf of both academies in the Trust during the year:

- Human resources
- Strategic support
- Finance
- Admissions support
- Marketing
- Governor training
- Educational support
- Premises support
- Lettings support
- Catering

Ashmole Academy recharges Ashmole Primary School for these services on the basis of time apportionment of the remuneration of the relevant staff providing the central services, as agreed by the Accounting Officer and the Chief Finance Officer of the Trust.

The actual amounts charged during the year were as follows:

| | 2018 | 2017 |
|------------------------|---------------|---------------|
| | £ | £ |
| Ashmole Primary School | <u>80,000</u> | <u>80,000</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

| | Freehold property £ | Assets under construction £ | Plant and machinery £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|--------------------------------------|-----------------------------|--------------------------|----------------------------|------------|
| Cost | | | | | | |
| At 1 September 2017 | 15,979,149 | 398,254 | 546,191 | 74,874 | 220,281 | 17,218,749 |
| Additions | - | 6,000,000 | 48,091 | 15,859 | 146,432 | 6,210,382 |
| At 31 August 2018 | 15,979,149 | 6,398,254 | 594,282 | 90,733 | 366,713 | 23,429,131 |
| Depreciation | | | | | | |
| At 1 September 2017 | 2,322,409 | - | 270,300 | 57,190 | 123,964 | 2,773,863 |
| Charge for the year | 335,403 | - | 51,933 | 6,918 | 38,708 | 432,962 |
| At 31 August 2018 | 2,657,812 | - | 322,233 | 64,108 | 162,672 | 3,206,825 |
| Net book value | | | | | | |
| At 31 August 2018 | 13,321,337 | 6,398,254 | 272,049 | 26,625 | 204,041 | 20,222,306 |
| At 31 August 2017 | 13,656,740 | 398,254 | 275,891 | 17,684 | 96,317 | 14,444,886 |

Included in freehold property above are land and buildings at a NBV of £13,321,337, which were previously valued on 1 September 2010 by Maunder Taylor Chartered Surveyors for £15,725,000 at their open market value. Freehold land included at £1,500,000 is not depreciated.

The trustees consider that this valuation remains appropriate at 31 August 2018.

Additions to assets under construction include a £6,000,000 donation from the ESFA in respect of the costs of the new building. The building was not yet in use at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|--|---|
| Market value | |
| At 1 September 2017 and 31 August 2018 | <u>2</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Holding |
|---|---------|
| The Ashmole Academy Trading Company Limited | 100% |

The aggregate of the share capital and reserves as at 31 August 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|---|--|--------------------|
| The Ashmole Academy Trading Company Limited | <u>2</u> | <u>-</u> |

Valuation

The Trust owns 100 per cent of the issued £1 shares of The Ashmole Academy Trading Company Limited, a company incorporated in England and Wales. The principal business activity of the Ashmole Academy Trading Company Limited is business support services, but the company has not traded since incorporation. The interest in the Ashmole Academy Trading Company Limited was acquired on 14 September 2010 on its incorporation. The company was dormant throughout the year and is registered at the same registered office as Ashmole Academy Trust Limited. The company is not consolidated into the financial statements of Ashmole Academy Trust Limited as the subsidiary is not material.

15. DEBTORS

| | 2018 £ | 2017 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 940 | 488 |
| VAT | 57,112 | 19,189 |
| Other debtors | 2,200 | 2,200 |
| Prepayments and accrued income | 318,813 | 405,450 |
| | <u>379,065</u> | <u>427,327</u> |

ASHMOLE ACADEMY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. CREDITORS: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Trade creditors | 344,290 | 420,845 |
| Taxation and social security | 161,142 | 150,387 |
| Other creditors | 1,671 | 14,018 |
| Accruals and deferred income | 204,961 | 135,275 |
| | <u>712,064</u> | <u>720,525</u> |
| | | |
| | 2017 £ | 2017 £ |
| Deferred income | | |
| Deferred income at the beginning of the year | 90,278 | 4,331 |
| Resources deferred during the year | 110,698 | 90,278 |
| Amounts released from previous years | (90,278) | (4,331) |
| Deferred income at 31 August 2018 | <u>110,698</u> | <u>90,278</u> |

Deferred income held at 31 August 2018 represents funds received in advance in respect of rates relief of £50,418 (2017 - £51,263), free school meal income of £29,061 (2017 - £15,041) and other income of £31,219 (2017 - £23,974).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|-------------------------------------|---|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General unrestricted funds | 147,067 | 984,339 | (920,633) | (65,802) | - | 144,971 |
| Restricted funds | | | | | | |
| GAG | - | 8,626,685 | (8,623,345) | - | - | 3,340 |
| Other DfE/ESFA grants | - | 470,983 | (395,290) | (74,955) | - | 738 |
| Other restricted income | 8,890 | 499,972 | (393,645) | - | - | 115,217 |
| Pension reserve | (2,308,000) | - | (358,000) | - | 501,000 | (2,165,000) |
| | <u>(2,299,110)</u> | <u>9,597,640</u> | <u>(9,770,280)</u> | <u>(74,955)</u> | <u>501,000</u> | <u>(2,045,705)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 14,464,451 | 6,090,197 | (432,961) | 140,757 | - | 20,262,444 |
| Total restricted funds | <u>12,165,341</u> | <u>15,687,837</u> | <u>(10,203,241)</u> | <u>65,802</u> | <u>501,000</u> | <u>18,216,739</u> |
| Total of funds | <u>12,312,408</u> | <u>16,672,176</u> | <u>(11,123,874)</u> | <u>-</u> | <u>501,000</u> | <u>18,361,710</u> |

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

Unrestricted funds are used to meet any charitable objectives of the academy at the discretion of the Trustees.

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State for Education, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes school trips, sports bursary for which income received is used to cover costs associated with these activities.

The transfers of £74,955 and £65,802 from restricted funds and unrestricted funds respectively, to the fixed asset fund represents amounts capitalised on the purchase of fixed assets.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit, but given the nature of the liability, this is not payable immediately. There are plans in place to meet the deficit such that it is not a constraint on reserves going forward.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to the Academy from the local authority following the transfer of the land and buildings. The difference of £40,136 (2017 - £19,563) between restricted fixed asset funds and the net book value of fixed assets represents capital income not yet spent and £2 of fixed asset investments, (note 14).

ASHMOLE ACADEMY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

| | Total 2018 £ | Total 2017 £ |
|---|-----------------------------|-----------------------------|
| Ashmole Academy | 200,222 | 155,228 |
| Ashmole Primary School | 64,044 | 729 |
| Total before fixed asset fund and pension reserve | <u>264,266</u> | <u>155,957</u> |
| Restricted fixed asset fund | 20,262,444 | 14,464,451 |
| Pension reserve | (2,165,000) | (2,308,000) |
| Total | <u><u>18,361,710</u></u> | <u><u>12,312,408</u></u> |

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2018 £ | Total 2017 £ |
|---------------------------|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Ashmole Academy | 5,777,839 | 1,554,279 | 185,514 | 2,142,081 | 9,659,713 | 9,784,847 |
| Ashmole Primary School | 495,298 | 68,705 | 17,856 | 91,337 | 673,196 | 600,722 |
| | <u>6,273,137</u> | <u>1,622,984</u> | <u>203,370</u> | <u>2,233,418</u> | <u>10,332,909</u> | <u>10,385,569</u> |

ASHMOLE ACADEMY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| General funds | | | | | | |
| General unrestricted funds | 92,028 | 913,818 | (660,233) | (198,546) | - | 147,067 |
| Restricted funds | | | | | | |
| GAG | - | 8,242,024 | (8,440,288) | 198,264 | - | - |
| Other DfE/ESFA grants | - | 479,047 | (479,329) | 282 | - | - |
| Other restricted income | 2,467 | 332,494 | (326,071) | - | - | 8,890 |
| Pension reserve | (3,584,000) | - | (386,000) | - | 1,662,000 | (2,308,000) |
| | <u>(3,581,533)</u> | <u>9,053,565</u> | <u>(9,631,688)</u> | <u>198,546</u> | <u>1,662,000</u> | <u>(2,299,110)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 14,610,215 | 377,795 | (523,559) | - | - | 14,464,451 |
| Total of funds | <u>11,120,710</u> | <u>10,345,178</u> | <u>(10,815,480)</u> | <u>-</u> | <u>1,662,000</u> | <u>12,312,408</u> |

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|-------------------------------------|---|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General unrestricted funds | 92,028 | 1,898,157 | (1,580,866) | (264,348) | - | 144,971 |
| Restricted funds | | | | | | |
| GAG | - | 16,868,709 | (17,063,633) | 198,264 | - | 3,340 |
| Other DfE/ESFA grants | - | 950,030 | (874,619) | (74,673) | - | 738 |
| Other restricted income | 2,467 | 832,466 | (719,716) | - | - | 115,217 |
| Pension reserve | (3,584,000) | - | (744,000) | - | 2,163,000 | (2,165,000) |
| | <u>(3,581,533)</u> | <u>18,651,205</u> | <u>(19,401,968)</u> | <u>123,591</u> | <u>2,163,000</u> | <u>(2,045,705)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 14,610,215 | 6,467,992 | (956,520) | 140,757 | - | 20,262,444 |
| | <u>11,028,682</u> | <u>25,119,197</u> | <u>(20,358,488)</u> | <u>264,348</u> | <u>2,163,000</u> | <u>18,216,739</u> |
| Total of funds | <u>11,120,710</u> | <u>27,017,354</u> | <u>(21,939,354)</u> | <u>-</u> | <u>2,163,000</u> | <u>18,361,710</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed assets 2018 £ | Total funds 2018 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 20,222,306 | 20,222,306 |
| Fixed asset investments | - | - | 2 | 2 |
| Current assets | 144,971 | 831,359 | 40,136 | 1,016,466 |
| Creditors due within one year | - | (712,064) | - | (712,064) |
| Pension scheme liability | - | (2,165,000) | - | (2,165,000) |
| | <u>144,971</u> | <u>(2,045,705)</u> | <u>20,262,444</u> | <u>18,361,710</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed assets 2017 £ | Total funds 2017 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 14,444,886 | 14,444,886 |
| Fixed asset investments | - | - | 2 | 2 |
| Current assets | 867,592 | 8,890 | 19,563 | 896,045 |
| Creditors due within one year | (720,525) | - | - | (720,525) |
| Pension scheme liability | - | (2,308,000) | - | (2,308,000) |
| | <u>147,067</u> | <u>(2,299,110)</u> | <u>14,464,451</u> | <u>12,312,408</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 5,548,302 | (470,302) |
| Adjustment for: | | |
| Depreciation charges | 432,962 | 429,911 |
| Investment income | (150) | - |
| Decrease in debtors | 48,262 | 653,471 |
| Decrease in creditors | (8,461) | (331,181) |
| FRS102 pension adjustment | 358,000 | 386,000 |
| Capital grants | (6,090,197) | (377,785) |
| Net cash provided by operating activities | 288,718 | 290,114 |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2018 £ | 2017 £ |
|--------------|----------------|----------------|
| Cash in hand | 637,401 | 468,718 |
| Total | 637,401 | 468,718 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Barnet. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

The Teachers' Pension Budgeting and Valuation Account

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £666,000 (2017 - £630,000).

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £465,000 (2017 - £457,000), of which employer's contributions totalled £368,000 (2017 - £359,000) and employees' contributions totalled £97,000 (2017 - £98,000). The agreed contribution rates for future years are 23.8% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

| | 2018 | 2017 |
|--|---------|---------|
| Discount rate for scheme liabilities | 2.80 % | 2.50 % |
| Rate of increase in salaries | 2.70 % | 2.70 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.40 % |
| Commutation of pensions to lump sums (post April 2008) | 50.00 % | 50.00 % |

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

| | 2018 | 2017 |
|----------------------|------|------|
| Retiring today | | |
| Males | 21.9 | 21.9 |
| Females | 24.3 | 23.9 |
| Retiring in 20 years | | |
| Males | 23.9 | 23.9 |
| Females | 26.5 | 26.5 |

| | At 31 August 2018 £ | At 31 August 2017 £ |
|-----------------------------|---------------------------|---------------------------|
| Sensitivity analysis | | |
| Salary Increase Rate +0.5% | 89,000 | 93,000 |
| Discount Rate -0.5% | 777,000 | 711,000 |
| Pension Increase Rate +0.5% | 681,000 | 609,000 |

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

| | Fair value at 31 August 2018 £ | Fair value at 31 August 2017 £ |
|------------------------------|---|---|
| Equities | 2,418,000 | 2,577,000 |
| Gilts | 1,251,000 | 1,053,000 |
| Cash and other liquid assets | 500,000 | - |
| Total market value of assets | <u>4,169,000</u> | <u>3,630,000</u> |

The actual return on scheme assets from 1 October 2017 to 30 June 2018 was 3.0% (2017 - 7.1%).

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

| | 2018 £ | 2017 £ |
|----------------------|------------------|------------------|
| Interest income | 96,000 | 54,000 |
| Interest cost | (157,000) | (129,000) |
| Current service cost | (665,000) | (670,000) |
| Total | <u>(726,000)</u> | <u>(745,000)</u> |

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

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 5,938,000 | 6,097,000 |
| Current service cost | 665,000 | 670,000 |
| Interest cost | 157,000 | 129,000 |
| Employee contributions | 97,000 | 98,000 |
| Actuarial gains | (458,000) | (957,000) |
| Benefits paid | (65,000) | (99,000) |
| Closing defined benefit obligation | <u>6,334,000</u> | <u>5,938,000</u> |

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21. PENSION COMMITMENTS (continued)

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

| | 2018 £ | 2017 £ |
|-------------------------------------|-----------|-----------|
| Opening fair value of scheme assets | 3,630,000 | 2,513,000 |
| Interest income | 96,000 | 54,000 |
| Actuarial gains | 43,000 | 705,000 |
| Employer contributions | 368,000 | 359,000 |
| Employee contributions | 97,000 | 98,000 |
| Benefits paid | (65,000) | (99,000) |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | 4,169,000 | 3,630,000 |
| | <hr/> | <hr/> |

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2018 £ | 2017 £ |
|-------------------------|-----------|-----------|
| Amounts payable: | | |
| Within 1 year | 212,664 | 322,311 |
| Between 1 and 5 years | 7,123 | 218,565 |
| | <hr/> | <hr/> |
| Total | 219,787 | 540,876 |
| | <hr/> | <hr/> |

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Ashmole Trading Company Limited is a wholly owned subsidiary of Ashmole Academy. As at the balance sheet date, the Academy has 2 Ordinary shares in the company that were unpaid. The company remained dormant throughout the year and prior year.

No other related party transactions took place in the year other than those disclosed in note 10.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

25. MEMBERS' LIABILITY

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