

Registered number: 07867577

ASPIRATIONS ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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ASPIRATIONS ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

R Quaglia (resigned 14 November 2016)
S Kenning (resigned 14 November 2016)
P Kenning (resigned 31 August 2017)
R Bosch Sancho
M Corso (appointed 14 November 2016)
R McNulty (appointed 1 September 2017)

Trustees

R Quaglia (resigned as Chair 14 November 2016)
S Kenning¹
R McNulty (resigned 31 August 2017)
M Corso (resigned 14 November 2016)
C Bault¹
L Lande
R Bosch Sancho (appointed as Chair 14 November 2016, resigned as Chair 14
November 2017)¹
V Daniels (appointed 28 June 2016, appointed Chair 15 November 2017)¹
I Livingstone (appointed 28 June 2016)
R Prime (appointed 28 June 2016)
A Swidler (appointed 6 March 2017, resigned 14 November 2017)
P Kenning (appointed 1 September 2017)¹

¹ Member of the Audit Committee

Company registered number

07867577

Company name

Aspirations Academies Trust

Principal and registered office

Tachbrook Road, Feltham, Middlesex, TW14 9 PE

Company secretary

S Pink

Senior management team

S Kenning, Managing Director
P Kenning, Deputy Managing Director
S Pink, Director of Finance and Operations
J Reece, HR Director

Independent auditors

Whitley Stimpson Limited, 67 Hightown Road, Banbury, OXON, OX16 9BE

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers

Lloyds, 21-22 High Street, Uxbridge, Middlesex, UB8 1JD

Solicitors

Michelmores LLP, 48 Chancery Lane, London, WC2A 1JF

ASPIRATIONS ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust runs twelve academies across three districts, covering Banbury in Oxfordshire, Hounslow and Islington in London, and Bournemouth and Poole on the south coast.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is also known as the Aspirations Academies Trust.

Details of the Trustees who served throughout the period 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

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

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited when their skills and national and international experience in education and/or business will add to the skill sets in the Trustee body to the advantage of the Trust. When new Trustees are to be appointed, the Board approves at that time an appropriate process and criteria for recruitment based on a review of the skill and capability requirements of the Board, the current needs of the Trust network and governance good practice for multi-academy trusts. All appointments are approved by the Members.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are welcomed to the governing body by the Chair of Trustees and Managing Director who meet with the new Trustee and discuss the range of business that the Trust undertakes, the wider educational context, the Trust's mission and aspirations, the operation of the network and the priorities for the coming year. The training of new Trustees would depend on the skills, knowledge and expertise of the new Trustee and the particular role that they may wish to develop for themselves whilst they are serving on the Trustee Board. Trustees are also briefed regularly by senior management on educational and other Trust matters – through a combination of briefings at board meetings, other sessions, visits to academies and individual meetings.

ASPIRATIONS ACADEMIES TRUST (A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure

The Board of Trustees normally meet three times each year. The Trustee Board is the governing body for all the Trust's academies. The Trustees set general policy, approve an annual budget and plan, monitor performance against plans and budgets and make major decisions about strategy, network development and senior staff appointments.

The Trustee Board delegates a number of functions to the three District Boards that oversee the operation of each academy. Each District Board reviews annual academy plans, monitors progress against targets and OFSTED standards, each Academy also has a Local Advisory Board (LAB).

Chairs of each LAB sit on the District Governing Body ("DGB") which also looks strategically at ways to improve working across districts to improve efficiency and outcomes for students, academy finances, and issues which affect all academies in a district.

The Trustees delegate day-to-day responsibility to the senior management team led by the Managing Director, Stephen Kenning. The running of each individual academy is delegated to the Principal.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academies on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Trust. Details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements respectively. The pay of the senior management team is reviewed annually by the Board of Trustees and Audit Committee in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

Related Parties and Other Connected Charities and Organisations

The Trust operates in association with the Quaglia Institute (previously the Quaglia Institute for Student Aspirations and Aspirations Unlimited International). The Trust and the Quaglia Institute are deemed connected through the common directorship of Dr R Quaglia. The US based Quaglia Institute does not directly fund the Aspirations Academies Trust in England. Instead they offer significant support by providing aspirations research, materials, surveys and consultation support.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Academy Trust, are as set out in its Articles of Association. In summary, it is to advance for the public benefit education in the United Kingdom, in particular maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. It seeks to deliver this object through a network of academies clustered in a number of districts that work together to provide 3-18 education for our students. In accordance with the Articles of Association the Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to our academies, and that the curriculum should comply with the substance of the National Curriculum.

The Trust's approach is based around aspirations. Aspirations is the ability to dream about the future while being inspired in the present to reach those dreams. The Trust shares the Quaglia Institute's core belief that for all students to have high aspirations they must believe in themselves, be actively engaged in their learning, and see the connection between what they learn today and who they want to become tomorrow.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, Strategies and Activities

The key priorities for the period are contained in the Academy Trust's Development Plan.

The Trust is committed to helping schools foster students' aspirations so that all students reach their fullest potential and achieve the success they want for themselves. Working in conjunction with the Quaglia Institute, the Trust benefits from the Institute's remarkable record of more than 30 years of research and experience working with students, educators, and schools. Central to this success is the innovative Aspirations Framework which outlines how to recognise and develop students' aspirations, while trusting in the professional judgement of educators to decide what concrete actions are best for their school. The framework is a research-based set of principles and conditions, yet does not provide a prescription for implementation, ultimately, senior managers, teachers, and students must guide decisions about how best to realise the Aspirations Framework in their own academy. The combination of the experience and expertise of the Trust and QISA, along with an academy's expertise in its own unique culture is what cultivates a learning environment in which all students are inspired to achieve their very best – personally, socially, and academically.

The Trust considers that its beliefs and principles are applicable and effective with students from age 3 to 18, and increasingly from 2 to 19. Each stage of a child's education is extremely important – pre-school, primary, secondary and sixth form – and should where possible, be coherent across the phases of education in the practice of developing the principles and conditions central to the beliefs and aims of the Trust. For this reason, the Trust, wherever it is suitable, aims to develop all-through (ages 3-18) Academy Districts, with pre-school, primary, secondary and sixth form academies working coherently together.

At whatever stage a child joins a Trust academy, whether it is at the age of three or sixteen, the aim is to provide each individual child with the best possible life chance. This is done through the achievement of the highest level of qualifications, the development of skills essential to success in an inter-connected and highly competitive world, as well as encouraging the highest aspirations, expecting every student to gain a place at university or enter skilled employment.

At the core of the education provisions at the Trust is outstanding teaching, high quality learning, effective support systems, an emphasis on traditional high standards of behaviours, attitude and uniform, rigorous systems of accountability, monitoring and evaluation, and an innovative and relevant curriculum. Students and staff are continually challenged to perform at their highest level within a creative culture of positivity, innovation and enthusiasm for success. Everyone is expected to take personal responsibility to become a lifelong learner. Great emphasis is placed on developing high levels of self-worth, engagement and sense of purpose: the Three Guiding Principles that underpin student aspirations. Each Trust Academy is a school fit for the 21st century, where young people complete their school education well-prepared for success in the modern world.

Public Benefit

The Academy Trust aims to advance for the public benefit education in the districts it operates in, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Five years into the organisation and three Aspirations academies have been judged 'Outstanding' by Ofsted, with a further number being very close to that level. Our primary academies are performing exceptionally, and our secondaries have shown significant improvements this year. It takes many years to turn around a school and make that change sustainable. *Short term gain is easy but cultural, staffing and systemic changes are needed to establish long term change. We are now seeing the benefits of those changes, but further work is needed to ensure that none of our academies slips backwards.* Over the five years the Trust have taken on five schools which were in special measures, these have now left special measures, some in a very short period of time, either officially through Ofsted or through our own assessments as Ofsted have not yet visited.

Due to the demographics of the areas that they serve, the vast majority of our academies have a significant number of students arriving in the low ability range and with free school meal entitlements compared to the national average. Despite this the all-through 3 to 18 age approach in our districts is working. More and more students from our primary academies are moving onto our secondaries and this is changing the aspirations and achievements of the students.

Our primary academies have excelled again this year. Despite the government led changes to pupil assessment still bedding in our staff and students have risen admirably to the challenge with virtually all measures being assessed as above national average, with many well above the average. Only one primary dipped in performance this year, in maths, although it was still significantly above national average in some key areas. Support has been put in place to ensure that all areas return to above national averages next year.

This was another solid year for our secondaries with all three secondaries plus the two Space Studios achieving excellent GCSE results and A Levels and BTEC results in line with National averages. The change in GCSEs makes comparisons between years impossible, but the Trust has done sufficient work to establish that all secondary academies remain on an upward trajectory. Rivers and Magna, and more slowly Banbury, have stabilised their GCSE results, showing solid results every year now. The Space Studios suffer from admitting students in year 10, and although their headline results are very good, their progress 8 score suffers. This is an area we are working on.

Eighteen months after the Trust took over Tech City, which had been a failing sixth form college it has received an extremely positive Ofsted report, moving the college up to requires improvement and acknowledging that the college is on track to achieve a good judgement. Increasing pupil numbers remains a key focus for Tech City moving forward.

The success of the Trust in improving the education of students in challenging and deprived areas has led to the Trust being asked to take on two of the most underperforming schools in the country in September 2017.

Key Performance Indicators

The key financial performance indicator is that individual academies live within their funding without jeopardising their educational operations. This is aided by ongoing benchmarking between academies and with national statistics. Two of our academies remain a cause for financial concern and these are being supported and monitored closely to ensure that they return to financial balance. Both should see pupil numbers rise in future years, which will assist the situation.

The main indicator of financial well being is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted funding plus restricted income funds carried forward at the balance sheet date. At 31 August 2017, the balance of the Unrestricted and Restricted Funds were £2,703,364, which is an increase of £1,254,692 on 2016.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. Pupil numbers at the October 2017 census were 5,223 which is an increase of almost 5% from the previous census, when comparing the schools that were in the Trust in both years. In addition, a further 1,735 students joined the Trust when Atlantic Academy Portland and Park Academy West London joined on the 1st September 2017, giving an overall growth in student numbers of 39.4% in one year.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of staff costs to total costs (net of depreciation) was 75.3% (2015/16: 77.7%).

Going Concern

After making appropriate enquiries, the Board of Trustees, including all Committees, 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 within the financial statements.

The key financial uncertainty is student numbers. Whilst the majority of academies run by the Trust continue to grow and are increasingly oversubscribed, a smaller number have lower student numbers than is financially sustainable. The Board anticipate that this situation will improve in the next few years.

FINANCIAL REVIEW

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the year ended 31 August 2017, the Trust received total income, including capital grants, of £32,511,569. Expenditure for the year, including depreciation and LGPS FRS102 pension cost adjustments, totalled £33,319,913.

Although no new academies joined the Trust in year, with the additions coming after year end, cash and other assets were transferred to the Academy Trust from STEM relating to Tech City College, which joined the Trust in the previous year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £172,753. The details of the net assets transferred and the basis of their valuations are set out in Note 21 to the financial statements.

The net book value of fixed assets at 31 August 2017 is £69,088,299 (2016: £70,128,993), which includes the depreciation charges for the period of £2,641,988 (2016: £2,450,538). The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

The balance of total funds held at 31 August 2017 were £60,564,819 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£1,281,140
Restricted Pension Liability Fund	(£11,918,000)
Restricted Fixed Asset Fund	£69,779,455
Unrestricted Funds	£1,422,224

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £11,918,000 (2016: £12,424,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. The Company is not currently required to make accelerated payments to meet this liability, but, were arrangements to change, the Academy would have difficulty in making such payments without significantly impacting its ability to continue to deliver its educational outcomes with the available public funding it receives.

The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust termly. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of reserves at 31 August 2017 is £60,564,819, of which £1,422,224 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds). Although the current level of free reserves of £1,422,224 is marginally below the target level identified above, the Trustees have commenced a fundraising program aimed at raising additional income for the Academy Trust, whilst also reviewing key areas of expenditure so that an overall surplus position can be repeated in future years so that the targeted reserves will be achieved.

Investment Policy

Where an academy has significant financial reserves, then it is permitted to invest the funds, if by doing so it is not disadvantaging current students. This may be where a project is being saved for, for example a capital improvement. Any investment must be deemed low risk. A balance between rate of return and access to the funds is sought that will provide reasonably fast access to the reserves, as the education environment is turbulent and each academy will need to ensure that they are able to respond appropriately to risks and opportunities.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 96% (2016: 96%) of the Academy Trust's incoming revenue resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy Trust has engaged Whitley Stimpson, the external auditor, to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Trustees examine the financial health of the Academy Trust formally termly, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Audit Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- For Stockley Academy to join the Trust on the 1st September 2017 and become Park Academy West London.
- For the Isle of Portland Aldridge Community Academy (IPACA) to join the Trust on the 1st September 2017 and become Atlantic Academy Portland.
- To open Livingstone Academy East London and Livingstone Academy Bournemouth. These are brand new schools which ultimately will be for up to 1,500 students age 3-18. They are a partnership with Ian Livingstone CBE and will offer an innovative curriculum designed to give students the skills to succeed in the modern digital world.
- To grow the Trust cautiously and only add free schools or converter academies in areas around our existing districts to aid effective management by the Trust, maximise economies of scale and to provide career paths for our staff within the Trust.
- To continue to improve our academies and ensure that every Aspirations academy will be judged at least Good by Ofsted in its next inspection. With only two turnaround academies so far failing to meet this target, although improving significantly, we believe that we are on track to achieve this.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the Education Funding Agency, which are distributed to students as required and in line with the terms and conditions of the funds.

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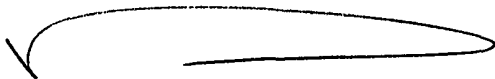
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are 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 4 December 2017 and signed on its behalf by:



Mr V Daniels
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that the Aspirations Academies 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 Managing Director, 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 the Aspirations Academies 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 3 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
R Quaglia	3	3
S Kenning, Managing Director	3	3
R McNulty	0	3
C Bault	3	3
L Lande	2	3
M Corso	0	1
R Bosch Sancho	3	3
V Daniels	3	3
I Livingstone	2	3
R Prime	2	3
A Swidler	0	2

After year-end R Bosch Sancho resigned as Chair, remaining as a Trustee. V Daniels became the new Chair.

Governance continues to be reviewed on an annual basis. The systems of governance and delegation between Members, Trustees, District Governing Bodies ("DGBs") and Local Advisor Bodies ("LABs") was further refined to improve clarity and to ensure consideration by those with the most relevant skillsets and reduce duplication between levels. The review in summer 2017 led to recommendations which resulted in the changes to Members, Trustees and Audit Committee members set out above.

The Audit Committee is a sub-Committee of the Board of Trustees. Its purpose is to review the systems of financial governance and consider the Trust's financial position and challenges, and report back to the Board. There is no separate finance committee as all finance business is conducted through the main Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Kenning	1	1
P Kenning	1	1
V Daniels	2	3
C Bault	1	3
R Bosch Sancho	3	3

During the year, S Kenning and P Kenning resigned from the Audit Committee. V Daniels joined in the year.

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GOVERNANCE STATEMENT (continued)

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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Achieving our academies' best ever results at GCSE, plus excellent results at primary and A level, at a time when funding is reducing in real terms.
- Improving efficiency by ensuring closer working across districts to share limited resources.
- Reducing costs and addressing environmental concerns by extending solar installations to eight academies and implementing other energy efficiency projects across the Trust.
- Increasing efficiency by reorganising staff at several academies to better reflect the needs of the schools and to meet budgetary pressures.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Aspirations Academies Trust for the year 1 September 2016 to 31 August 2017 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;

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GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Whitley Stimpson Limited, to perform a program of additional internal reviews and checks.

The 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:

- review of and testing of budgetary control and reporting processes
- review of and testing of procurement systems and procedures

On an annual basis, the auditor report to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditor completed the schedule of work as planned, visiting every academy in the trust. No material control issues were discovered. Action is being taken to improve in the areas highlighted by the auditor as being minor control issues.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Managing Director 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 auditors;
- 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 4 December 2017 and signed on their behalf, by:



Mr V Daniels
Chair of Trustees



S Kenning
Accounting Officer

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Aspirations Academies 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.

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

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



S Kenning
Accounting Officer

Date: 4 December 2017

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Aspirations Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 the group 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:

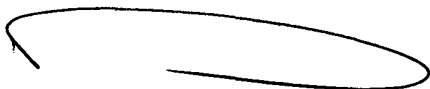
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 4 December 2017 and signed on its behalf by:



Mr V Daniels
Chair of Trustees

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRATIONS ACADEMIES TRUST**

OPINION

We have audited the financial statements of Aspirations Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Statement of financial activities, the group and academy trust Balance sheets, the group Cash flow statement 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2017 and of the group's 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 group 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 group or the parent 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.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRATIONS ACADEMIES TRUST**

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 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 for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group 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 group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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 trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)


**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ASPIRATIONS ACADEMIES TRUST**

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

AUDITOR'S 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. The description forms part of our Auditors' report.



Jonathan Mark Walton ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Whitley Stimpson Limited

67 Hightown Road
Banbury
OXON
OX16 9BE

22 December 2017

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
ASPIRATIONS ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspirations Academies Trust during the year 1 September 2016 to 31 August 2017 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 Aspirations Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspirations Academies Trust 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 Aspirations Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASPIRATIONS ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Aspirations Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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's income and expenditure.

The work undertaken to draw our conclusions included:

- A review of internal control policies and procedures implemented by the Academy Trust and an evaluation of their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- A review of the minutes of meetings of the Trustees, relevant sub-committees and Local Governing Bodies and other evidence made available to us, relevant to our consideration of regularity;


ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
ASPIRATIONS ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

- Enquiries of the Accounting Officer, including a review of the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Whitley Stimpson Limited

67 Hightown Road
Banbury
OXON
OX16 9BE

22 December 2017

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	50,841	1,933,053	173,093	2,156,987	19,053,629
Charitable activities	3	29,187,829	-	-	29,187,829	29,441,988
Other trading activities	4	-	-	1,163,498	1,163,498	1,002,233
Investments	5	-	-	3,255	3,255	3,787
TOTAL INCOME		29,238,670	1,933,053	1,339,846	32,511,569	49,501,637
EXPENDITURE ON:						
Raising funds		-	-	758,502	758,502	908,871
Charitable activities		29,901,322	2,660,089	-	32,561,411	32,135,605
TOTAL EXPENDITURE	6	29,901,322	2,660,089	758,502	33,319,913	33,044,476
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(662,652)	(727,036)	581,344	(808,344)	16,457,161
Actuarial gains/(losses) on defined benefit pension schemes	23	1,842,000	-	-	1,842,000	(4,717,000)
NET MOVEMENT IN FUNDS		1,179,348	(727,036)	581,344	1,033,656	11,740,161
RECONCILIATION OF FUNDS:						
Total funds brought forward		(11,816,208)	70,506,491	840,880	59,531,163	47,791,002
TOTAL FUNDS CARRIED FORWARD		(10,636,860)	69,779,455	1,422,224	60,564,819	59,531,163

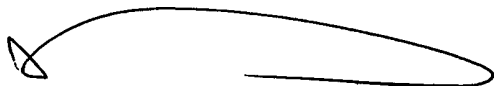
The notes on pages 26 to 54 form part of these financial statements.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07867577

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		69,088,297		70,128,993
CURRENT ASSETS					
Debtors	15	1,572,786		3,576,061	
Cash at bank and in hand		5,206,990		5,393,020	
		<u>6,779,776</u>		<u>8,969,081</u>	
CREDITORS: amounts falling due within one year	16	<u>(3,385,254)</u>		<u>(7,142,911)</u>	
NET CURRENT ASSETS			<u>3,394,522</u>		<u>1,826,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>72,482,819</u>		<u>71,955,163</u>
Defined benefit pension scheme liability	23	<u>(11,918,000)</u>			<u>(12,424,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>60,564,819</u>		<u>59,531,163</u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
Restricted income funds	17	1,281,140		607,792	
Restricted fixed asset funds	17	<u>69,779,455</u>		<u>70,506,491</u>	
Restricted income funds excluding pension liability		<u>71,060,595</u>		<u>71,114,283</u>	
Pension reserve		<u>(11,918,000)</u>		<u>(12,424,000)</u>	
Total restricted income funds			<u>59,142,595</u>		<u>58,690,283</u>
Unrestricted funds	17		<u>1,422,224</u>		<u>840,880</u>
TOTAL FUNDS			<u>60,564,819</u>		<u>59,531,163</u>

The financial statements on pages 22 to 54 were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:



Mr V Daniels
Chair of Trustees

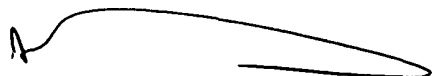
The notes on pages 26 to 54 form part of these financial statements.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07867577

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		69,088,297		70,128,993
Investments			-		100
			69,088,297		70,129,093
CURRENT ASSETS					
Debtors	15	1,572,786		3,572,121	
Cash at bank and in hand		5,206,990		5,377,124	
		6,779,776		8,949,245	
CREDITORS: amounts falling due within one year	16	(3,385,253)		(7,139,646)	
NET CURRENT ASSETS			3,394,523		1,809,599
TOTAL ASSETS LESS CURRENT LIABILITIES			72,482,820		71,938,692
Defined benefit pension scheme liability	23		(11,918,000)		(12,424,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			60,564,820		59,514,692
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted funds		1,281,140		607,792	
Restricted fixed asset funds		69,779,455		70,506,491	
Restricted funds excluding pension asset		71,060,595		71,114,283	
Pension reserve		(11,918,000)		(12,424,000)	
Total restricted funds			59,142,595		58,690,283
Unrestricted funds			1,422,225		824,409
TOTAL FUNDS			60,564,820		59,514,692

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:



Mr V Daniels
Chair of Trustees

The notes on pages 26 to 54 form part of these financial statements.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(600,092)</u>	<u>3,305,885</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,255	3,787
Purchase of tangible fixed assets		2,282,913	5,662,312
Capital grants from DfE/ESFA		(1,933,053)	(5,499,298)
Cash transferred on conversion of academies during the period		60,947	-
Net cash provided by investing activities		<u>414,062</u>	<u>166,801</u>
Change in cash and cash equivalents in the year		(186,030)	3,472,686
Cash and cash equivalents brought forward		<u>5,393,020</u>	<u>1,920,334</u>
Cash and cash equivalents carried forward	20	<u><u>5,206,990</u></u>	<u><u>5,393,020</u></u>

The notes on pages 26 to 54 form part of these financial statements.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aspirations Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Going concern

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

1.3 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.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 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 Education Funding Agency, Local Authorities and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from Education Funding Agency, Local Authorities and other funders.

1.5 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

Donations are recognised on a receivable basis where receipt is probable 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.

1.6 Operating leases

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

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.8 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.

1.9 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 Intangible fixed assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Tangible fixed assets and depreciation

All assets costing more than £2,500 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 and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line (excluding land)
Long-term leasehold property	-	2% straight line on buildings
	-	leasehold land interests are not depreciated
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line
Assets under construction	-	0% straight line

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

1.12 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

ASPIRATIONS ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.14 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing the 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds.

The funds received and paid during the year and any balances held are disclosed in note 25.

1.16 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no key judgements that the Academy has made which have a significant effect on the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations and capital grants	50,841	1,933,053	341	1,984,235	5,536,344
Assets transferred on acquisition	-	-	172,752	172,752	11,601,808
Assets transferred from LA	-	-	-	-	1,915,477
	<u>50,841</u>	<u>1,933,053</u>	<u>173,093</u>	<u>2,156,987</u>	<u>19,053,629</u>
<i>Total 2016</i>	<u>38,921</u>	<u>18,962,083</u>	<u>52,625</u>	<u>19,053,629</u>	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant	25,550,886	-	25,550,886	25,842,449
Start up grants	628,000	-	628,000	595,814
Pupil premium	1,616,511	-	1,616,511	1,555,820
Other DfE/EFA grants	607,609	-	607,609	746,907
	<u>28,403,006</u>	<u>-</u>	<u>28,403,006</u>	<u>28,740,990</u>
Other government grants				
Local Authority grants	784,823	-	784,823	700,998
	<u>784,823</u>	<u>-</u>	<u>784,823</u>	<u>700,998</u>
	<u>29,187,829</u>	<u>-</u>	<u>29,187,829</u>	<u>29,441,988</u>
<i>Total 2016</i>	<u>29,441,988</u>	<u>-</u>	<u>29,441,988</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of Facilities	-	253,193	253,193	143,718
Academy trips	-	246,206	246,206	261,471
Consultancy income	-	15,480	15,480	40,500
Catering income	-	147,321	147,321	95,479
Uniform, exam fees & stationery sales	-	49,114	49,114	55,742
Other income	-	452,184	452,184	405,323
	-	1,163,498	1,163,498	1,002,233
<i>Total 2016</i>	-	1,002,233	1,002,233	

5. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	-	3,255	3,255	3,787
<i>Total 2016</i>	-	3,787	3,787	

6. EXPENDITURE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	44,826	-	713,676	758,502	908,871
Activities:					
Direct costs	18,970,526	-	2,390,887	21,361,413	21,802,116
Support costs	4,170,018	2,641,988	4,387,992	11,199,998	10,333,489
	23,185,370	2,641,988	7,492,555	33,319,913	33,044,476
<i>Total 2016</i>	23,059,485	2,450,538	7,534,453	33,044,476	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
LGPS FRS102 pension interest costs	-	260,000	260,000	269,000
Technology costs	-	270,149	270,149	235,028
Other costs	252,151	696,147	948,298	674,628
Recruitment and support	-	294,187	294,187	372,143
Maintenance of premises and equipment	2,799	538,616	541,415	512,045
Cleaning	-	796,019	796,019	715,153
Rent & rates	-	386,017	386,017	434,931
Energy costs	2,532	426,843	429,375	544,857
Insurance	-	136,997	136,997	224,780
Security and transport	-	108,470	108,470	114,045
Catering	149,038	509,001	658,039	602,271
Amortization of goodwill	-	-	-	38,140
Wages and salaries	34,455	2,407,271	2,441,726	2,567,677
National insurance	-	204,930	204,930	253,950
Pension cost	-	1,523,362	1,523,362	862,383
Depreciation	-	2,641,989	2,641,989	2,450,538
	<u>440,975</u>	<u>11,199,998</u>	<u>11,640,973</u>	<u>10,871,569</u>
<i>At 31 August 2016</i>	<u>538,080</u>	<u>10,333,489</u>	<u>10,871,569</u>	

Included within other costs are governance costs totalling £164,288 (2016: £118,281).

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	2,641,988	2,450,538
Amortisation of intangible fixed assets	-	38,140
Operating lease rentals	199,201	231,215
Fees payable to the academy trust's auditors for the audit of the academy trust's annual accounts	26,500	23,600
Fees payable to the academy trust's auditors for all other non-audit services not included above	18,049	23,010
	<u>2,915,748</u>	<u>2,766,503</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	16,953,978	17,487,560
Social security costs	1,585,549	1,548,239
Operating costs of defined benefit pension schemes	3,694,177	3,044,369
	<u>22,233,704</u>	<u>22,080,168</u>
Supply teacher costs	786,487	746,441
Staff restructuring costs	165,179	232,876
	<u>23,185,370</u>	<u>23,059,485</u>

Included in staff restructuring costs is a single non-statutory/non-contractual severance payment totalling £3,000 (2016: £nil).

The average number of persons employed by the Academy Trust during the year, expressed as a full time equivalent, was as follows:

	2017	2016
	No.	No.
Teachers	275	312
Admin and support	205	212
Management	20	21
	<u>500</u>	<u>545</u>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	6	8
In the band £70,001 - £80,000	5	3
In the band £80,001 - £90,000	4	6
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	2	1
In the band £110,000 - £120,000	1	1
In the band £150,000 - £160,000	0	1
In the band £160,000 - £170,000	1	0
In the band £200,000 - £210,000	1	1

Of the above, 17 (2016: 20) employees participated in the Teachers' Pension Scheme, with employer contributions to the scheme during the year amounting to £234,572 (2016: £276,311). The other 3 (2016: 3) employees participated in the Local Government Pension Scheme, with employer contributions to the scheme during the year amounting to £36,679 (2016: £34,987).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS (continued)

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust during the year was £634,864 (2016: £636,715).

10. CENTRAL SERVICES

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

- Staff training and development services
- Access to Aspirations intellectual property
- Financial services
- HR services
- Management services

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

4 % of recurrent General Annual Grant, not including amounts for reimbursement of costs, such as insurance and rates.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Banbury Academy	100,868	196,003
Dashwood Banbury Academy	48,422	42,264
Harriers Banbury Academy	61,244	57,539
Rivers Academy West London	237,945	260,903
Oriel Academy West London	72,754	72,753
Oak Hill Academy West London	67,784	64,810
Magna Academy Poole	173,986	153,549
Jewell Academy Bournemouth	54,269	37,605
Space Studio Banbury	29,339	28,083
Space Studio West London	40,174	25,703
Ocean Academy Poole	26,349	12,491
Tech City College	54,608	76,643
	<u>967,742</u>	<u>1,028,346</u>
Total		

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**NOTES TO THE FINANCIAL STATEMENTS
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11. 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 was as follows:

		2017 £	2016 £
S Kenning	Remuneration	205,000-210,000	210,000-215,000
	Pension contributions paid	0-5,000	20,000-25,000

During the year, 1 Trustee received benefits in kind amounting to £4,145 (2016 - £4,145).

During the year ended 31 August 2017, expenses totalling £8,215 (2016 - £4,750) were reimbursed to 5 Trustees (2016 - 3).

12. TRUSTEES' AND OFFICERS' INSURANCE

During the year, the academy trust has then opted take up the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

13. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 September 2016 and 31 August 2017	38,140
Amortisation	
At 1 September 2016 and 31 August 2017	38,140
Carrying amount	
At 31 August 2017	-
At 31 August 2016	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Leasehold buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 September 2016	29,960,094	35,441,417	46,819	3,542,454	3,648,076
Additions	237,607	399,188	9,000	508,511	406,409
Disposals	-	-	-	(28,000)	-
Transfers	4,476,737	153,079	-	-	-
At 31 August 2017	<u>34,674,438</u>	<u>35,993,684</u>	<u>55,819</u>	<u>4,022,965</u>	<u>4,054,485</u>
Depreciation					
At 1 September 2016	1,291,634	2,371,746	29,755	1,085,808	2,360,740
Charge for the year	541,792	839,807	10,491	429,814	820,084
On disposals	-	-	-	(9,900)	-
At 31 August 2017	<u>1,833,426</u>	<u>3,211,553</u>	<u>40,246</u>	<u>1,505,722</u>	<u>3,180,824</u>
Net book value					
At 31 August 2017	<u>32,841,012</u>	<u>32,782,131</u>	<u>15,573</u>	<u>2,517,243</u>	<u>873,661</u>
At 31 August 2016	<u>28,668,460</u>	<u>33,069,671</u>	<u>17,064</u>	<u>2,456,646</u>	<u>1,287,336</u>
				Assets under construct'n £	Total £
Group					
Cost					
At 1 September 2016				4,629,816	77,268,676
Additions				58,677	1,619,392
Disposals				-	(28,000)
Transfers				(4,629,816)	-
At 31 August 2017				<u>58,677</u>	<u>78,860,068</u>
Depreciation					
At 1 September 2016				-	7,139,683
Charge for the year				-	2,641,988
On disposals				-	(9,900)
At 31 August 2017				<u>-</u>	<u>9,771,771</u>
Net book value					
At 31 August 2017				<u>58,677</u>	<u>69,088,297</u>
At 31 August 2016				<u>4,629,816</u>	<u>70,128,993</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. TANGIBLE FIXED ASSETS (continued)

Academy Trust	Freehold land and buildings £	Leasehold buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 September 2016	29,960,094	35,441,417	46,819	3,542,454	3,648,076
Additions	237,607	399,188	9,000	508,511	406,409
Disposals	-	-	-	(28,000)	-
Transfers	4,476,737	153,079	-	-	-
At 31 August 2017	<u>34,674,438</u>	<u>35,993,684</u>	<u>55,819</u>	<u>4,022,965</u>	<u>4,054,485</u>
Depreciation					
At 1 September 2016	1,291,634	2,371,746	29,755	1,085,808	2,360,740
Charge for the year	541,792	839,807	10,491	429,814	820,084
On disposals	-	-	-	(9,900)	-
At 31 August 2017	<u>1,833,426</u>	<u>3,211,553</u>	<u>40,246</u>	<u>1,505,722</u>	<u>3,180,824</u>
Net book value					
At 31 August 2017	<u>32,841,012</u>	<u>32,782,131</u>	<u>15,573</u>	<u>2,517,243</u>	<u>873,661</u>
At 31 August 2016	<u>28,668,460</u>	<u>33,069,671</u>	<u>17,064</u>	<u>2,456,646</u>	<u>1,287,336</u>
				Assets under construct'n £	Total £
Academy Trust					
Cost					
At 1 September 2016				4,629,816	77,268,676
Additions				58,677	1,619,392
Disposals				-	(28,000)
Transfers				(4,629,816)	-
At 31 August 2017				<u>58,677</u>	<u>78,860,068</u>
Depreciation					
At 1 September 2016				-	7,139,683
Charge for the year				-	2,641,988
On disposals				-	(9,900)
At 31 August 2017				<u>-</u>	<u>9,771,771</u>
Net book value					
At 31 August 2017				<u>58,677</u>	<u>69,088,297</u>
At 31 August 2016				<u>4,629,816</u>	<u>70,128,993</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	<u>Group</u>		<u>Academy Trust</u>	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	137,991	64,715	137,991	64,715
VAT recoverable	-	527,430	-	524,305
Other debtors	91,962	-	91,962	-
Prepayments and accrued income	1,342,833	2,983,916	1,342,833	2,983,101
	<u>1,572,786</u>	<u>3,576,061</u>	<u>1,572,786</u>	<u>3,572,121</u>

16. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Academy Trust</u>	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	980,384	4,653,861	980,384	4,652,995
Other taxation and social security	621,485	449,433	621,485	449,433
GAG Abatement	493,865	373,546	493,865	373,546
Other creditors	499,823	378,888	499,823	378,988
Accruals and deferred income	789,697	1,287,183	789,696	1,284,684
	<u>3,385,254</u>	<u>7,142,911</u>	<u>3,385,253</u>	<u>7,139,646</u>

	<u>Group</u>		<u>Academy Trust</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 September 2016	264,767	141,876	264,767	141,876
Resources deferred during the year	253,171	264,767	253,171	264,767
Amounts released from previous years	(264,767)	(141,876)	(264,767)	(141,876)
Deferred income at 31 August 2017	<u>253,171</u>	<u>264,767</u>	<u>253,171</u>	<u>264,767</u>

Deferred income held as at 31 August 2017 comprise the following: £146,454 (2016 - £137,274) to provide universal infant free school meals in 2017/18; £nil (2016 - £83,916) for rates reimbursement in 2017/18; £24,203 (2016 - £10,870) for school trips in 2017/18, £17,542 (2016 - £19,991) for future pension liabilities, £56,000 (2016: £nil) for grants to run the Teaching School in 2017/18 and £8,973 (2016 - £12,715) of other items of future income.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	840,880	1,339,846	(758,502)	-	-	1,422,224
Restricted funds						
General Annual Grant (GAG)	-	25,550,886	(25,115,324)	-	-	435,562
Start Up grants	416,852	628,000	(363,021)	-	-	681,831
Othe DfE/EFA grants	-	2,224,121	(2,224,121)	-	-	-
LA and other grants	172,381	784,822	(812,015)	-	-	145,188
Other restricted income	18,559	50,841	(50,841)	-	-	18,559
Pension reserve	(12,424,000)	-	(1,336,000)	-	1,842,000	(11,918,000)
	<u>(11,816,208)</u>	<u>29,238,670</u>	<u>(29,901,322)</u>	<u>-</u>	<u>1,842,000</u>	<u>(10,636,860)</u>
Restricted Fixed Asset Funds						
DfE/EFA and other capital grants	377,497	1,933,053	-	(1,619,391)	-	691,159
Fixed asset funds	70,128,994	-	(2,660,089)	1,619,391	-	69,088,296
	<u>70,506,491</u>	<u>1,933,053</u>	<u>(2,660,089)</u>	<u>-</u>	<u>-</u>	<u>69,779,455</u>
Total restricted funds	<u>58,690,283</u>	<u>31,171,723</u>	<u>(32,561,411)</u>	<u>-</u>	<u>1,842,000</u>	<u>59,142,595</u>
Total of funds	<u><u>59,531,163</u></u>	<u><u>32,511,569</u></u>	<u><u>(33,319,913)</u></u>	<u><u>-</u></u>	<u><u>1,842,000</u></u>	<u><u>60,564,819</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	691,106	1,058,645	(908,871)	-	-	840,880
	<u>691,106</u>	<u>1,058,645</u>	<u>(908,871)</u>	<u>-</u>	<u>-</u>	<u>840,880</u>

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17. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	25,842,449	(25,842,449)	-	-	-
Start up Grant	126,559	595,814	(305,521)	-	-	416,852
Other DfE / EFA grants	-	2,302,727	(2,302,727)	-	-	-
LA and other grants	8,391	700,998	(537,008)	-	-	172,381
Other restricted	-	53,921	(35,362)	-	-	18,559
Pension reserve	(7,030,000)	(15,000)	(662,000)	-	(4,717,000)	(12,424,000)
	<u>(6,895,050)</u>	<u>29,480,909</u>	<u>(29,685,067)</u>	<u>-</u>	<u>(4,717,000)</u>	<u>(11,816,208)</u>

Restricted Fixed Asset Funds

DfE/EFA and other capital grants	214,483	5,499,298	-	(5,336,284)	-	377,497
Fixed asset funds	53,780,463	13,462,785	(2,450,538)	5,336,284	-	70,128,994
	<u>53,994,946</u>	<u>18,962,083</u>	<u>(2,450,538)</u>	<u>-</u>	<u>-</u>	<u>70,506,491</u>
Total restricted funds	<u>47,099,896</u>	<u>48,442,992</u>	<u>(32,135,605)</u>	<u>-</u>	<u>(4,717,000)</u>	<u>58,690,283</u>
Total of funds	<u>47,791,002</u>	<u>49,501,637</u>	<u>(33,044,476)</u>	<u>-</u>	<u>(4,717,000)</u>	<u>59,531,163</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2017.

The Start Up Grants are used to cover expenditure incurred in the incorporation of new academies into the Trust.

Other DfE/EFA grants and other grants are used as per the restrictions of the individual grants for the education of the students within the individual academies. Included in these funds is pupil premium funding that is used to provide support for under-achieving pupils. The Local Authority grants were used to cover repairs and maintenance to the buildings and to supply Special Needs and Early Years support.

The pension reserve relates to the LPGA defined benefit scheme.

The restricted fixed asset fund represents the depreciated replacement cost of the predecessor schools' land and buildings and the cost of equipment and fixtures and fittings, which transferred to the trust on the dates of conversion of the predecessor schools, together with subsequent capital expenditure funded from capital grants, capital donations or from GAG or unrestricted funds. Unspent balances of capital grants received are also included within the fund.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Banbury Academy	(420,014)	(305,880)
Dashwood Banbury Academy	317,054	237,071
Harriers Banbury Academy	36,376	(5,827)
Space Studio Banbury	65,332	(87,897)
Rivers Academy West London	1,068,056	802,403
Oriel Academy West London	123,790	74,772
Oak Hill Academy West London	265,527	218,900
Magna Academy Poole	(132,135)	(290,759)
Jewell Academy Bournemouth	410,909	149,955
Ocean Academy Poole	(24,789)	(26,684)
Tech City College	680,495	290,582
Central office	245,483	354,463
Space Studio West London	67,280	37,573
Total before fixed asset fund and pension reserve	<u>2,703,364</u>	<u>1,448,672</u>
Restricted fixed asset fund	69,779,455	70,506,491
Pension reserve	(11,918,000)	(12,424,000)
Total	<u><u>60,564,819</u></u>	<u><u>59,531,163</u></u>

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Banbury Academy	(420,014)
Magna Academy Poole	(132,135)
Ocean Academy Poole	(24,789)

The Academy Trust is taking the following action to return the academies to surplus:

Banbury Academy increased its deficit this year due to a falling student roll. Pupil numbers stabilise in 2017/18 before rising again, when the Trust will expect the academy to gradually reduce its cumulative deficit.

Magna Academy Poole significantly reduced its cumulative deficit this year. The academy is projected to return to cumulative surplus over the next two years. The growing roll will make this achievable.

Ocean Academy Poole made a small surplus this year, reducing the historic deficit. This deficit will be cleared as the academy grows.

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17. STATEMENT OF FUNDS (continued)

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 2017 £	Total 2016 £
Banbury Academy	3,142,392	438,858	118,387	953,605	4,653,242	5,477,209
Dashwood Banbury Academy	1,022,547	119,676	43,912	302,861	1,488,996	1,235,312
Harriers Banbury Academy	1,187,645	145,292	53,542	376,901	1,763,380	1,677,584
Space Studio Banbury	388,254	62,764	9,506	146,802	607,326	826,059
Rivers Academy West London	4,322,336	486,905	114,390	1,151,057	6,074,688	6,718,556
Space Studio West London	685,449	98,092	51,046	356,994	1,191,581	844,981
Oriel Academy West London	1,440,513	261,905	51,337	411,342	2,165,097	2,148,731
Oak Hill Academy West London	1,389,274	266,718	32,354	403,220	2,091,566	1,973,837
Magna Academy Poole	2,812,802	392,106	113,179	877,701	4,195,788	4,251,852
Jewell Academy Bournemouth	1,029,355	76,223	43,812	334,062	1,483,452	1,214,217
Ocean Academy Poole	515,463	54,921	14,476	204,859	789,719	445,860
Tech City College	525,313	273,429	17,112	418,714	1,234,568	1,735,625
Central office	569,643	406,632	16,897	622,467	1,615,639	1,328,976
	<u>19,030,986</u>	<u>3,083,521</u>	<u>679,950</u>	<u>6,560,585</u>	<u>29,355,042</u>	<u>29,878,799</u>

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

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	69,088,294	-	69,088,294
Current assets	4,666,390	691,161	1,422,224	6,779,775
Creditors due within one year	(3,385,250)	-	-	(3,385,250)
Provisions for liabilities and charges	(11,918,000)	-	-	(11,918,000)
	<u>(10,636,860)</u>	<u>69,779,455</u>	<u>1,422,224</u>	<u>60,564,819</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Restricted funds 2016 £</i>	<i>Restricted fixed asset funds 2016 £</i>	<i>Unrestricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	-	70,128,994	-	70,128,994
Current assets	7,202,820	377,497	1,388,764	8,969,081
Creditors due within one year	(6,595,028)	-	(547,884)	(7,142,912)
Provisions for liabilities and charges	(12,424,000)	-	-	(12,424,000)
	<u>(11,816,208)</u>	<u>70,506,491</u>	<u>840,880</u>	<u>59,531,163</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2017	2016
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(808,344)	16,457,161
Adjustment for:		
Depreciation charges	2,641,988	2,450,538
Dividends, interest and rents from investments	(3,255)	(3,787)
Profit on the sale of fixed assets	(18,100)	-
Decrease/(increase) in debtors	2,003,276	(1,457,505)
(Decrease)/increase in creditors	(3,757,657)	4,144,561
Capital grants from DfE and other capital income	(1,933,053)	(5,499,298)
Net gain on assets and liabilities from local authority on conversion	-	15,000
Inherited and donated fixed assets	-	(13,462,785)
FRS 102 LGPS pension cost adjustments	1,336,000	662,000
Cash transferred on conversion to an Academy Trust	(60,947)	-
Net cash (used in)/provided by operating activities	(600,092)	3,305,885

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2017	2016
	£	£
Cash in hand	5,206,990	5,393,020
Total	5,206,990	5,393,020

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. ACADEMY TRANSFER TO THE ACADEMY TRUST

No schools joined the Trust during the period. However one academy, Tech City College, which joined in 2015/16 received assets totalling £172,573 during the year from the predecessor sponsor, amounts which were not accounted for previously due to the uncertainty of their value.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - funds transferred from other Academy Trusts

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

	Restricted funds £	Restricted fixed asset funds £	Unrestrict ed funds £	Total funds £
Cash funds	-	-	60,947	60,947
Other identified assets and liabilities	-	-	111,806	111,806
Net assets/(liabilities)	-	-	172,753	172,753

22. CAPITAL COMMITMENTS

At 31 August 2017 the group and academy had capital commitments as follows:

	Group		Academy	
	2017 £	2016 £	2017 £	2016 £
Contracted for but not provided in these financial statements	118,917	1,100,370	118,917	1,100,370

23. PENSION COMMITMENTS

The group'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 Hounslow, the London Borough of Islington, Oxfordshire County Council and Dorset County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £313,767 were payable to the schemes at 31 August 2017 (2016 - 308,024) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £1,801,012 (2016 - £1,869,920).

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

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

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

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 2017 was £1,126,000 (2016 - £836,000), of which employer's contributions totalled £833,000 (2016 - £621,000) and employees' contributions totalled £293,000 (2016 - £215,000). The agreed contribution rates for future years are 13.5% to 17.4% for employers together with additional lump sum deficit contribution payments for certain academies, and 5.5% to 12.5% for employees.

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

The Trust's Local Government Pension Schemes are managed by a number of Local Authorities across the geographical locations in which the Trust operates. As such, the information disclosed in the following tables reflects the combined information for all of the Trust's Local Government Pension Schemes.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.47 %	2.20 %
Rate of increase in salaries	4.17 %	4.00 %
Rate of increase for pensions in payment / inflation	2.57 %	2.30 %
Inflation assumption (CPI)	2.57 %	2.30 %

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

	2017	2016
Retiring today		
Males	23.1	22.8
Females	26.0	25.9
Retiring in 20 years		
Males	25.4	25.1
Females	28.4	28.3

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities (i.e. the defined benefit obligations) are as follows:

Sensitivities	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	(19,452,000)	(18,667,000)
Discount rate -0.1%	(20,455,000)	(19,582,000)
Mortality assumption - 1 year increase	(20,619,000)	(19,626,000)
Mortality assumption - 1 year decrease	(19,297,000)	(18,626,000)
Inflation rate +0.1%	(20,372,000)	(19,506,000)
Inflation rate -0.1%	(19,533,000)	(18,626,000)

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	4,877,813	4,217,850
Gilts	578,016	647,183
Corporate bonds	1,029,190	490,967
Other	717,097	1,339,000
Property	642,240	-
Cash and other liquid assets	184,644	-
	<u>8,029,000</u>	<u>6,695,000</u>

The actual return on scheme assets was £904,000 (2016 - £800,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(1,903,000)	(1,022,000)
Interest income	157,000	221,000
Interest cost	(419,000)	(490,000)
	<u>(2,165,000)</u>	<u>(1,291,000)</u>
Actual return on scheme assets	<u>923,000</u>	<u>800,000</u>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	19,119,000	12,177,000
Transferred in on existing academies joining the trust	-	31,000
Current service cost	1,903,000	1,022,000
Interest cost	419,000	490,000
Employee contributions	293,000	228,000
Actuarial (gains)/losses	(1,615,000)	5,296,000
Benefits paid	(172,000)	(125,000)
	<u>19,947,000</u>	<u>19,119,000</u>

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

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

	2017	2016
	£	£
Opening fair value of scheme assets	6,695,000	5,147,000
Upon conversion	-	16,000
Interest income	157,000	221,000
Actuarial (losses)/gains	227,000	579,000
Employer contributions	833,000	635,000
Employee contributions	293,000	228,000
Benefits paid	(172,000)	(125,000)
Administration expenses	(4,000)	(6,000)
	<u>8,029,000</u>	<u>6,695,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2017	2016
	£	£
Amounts payable:		
Within 1 year	237,224	193,990
Between 1 and 5 years	576,145	661,919
After more than 5 years	377,906	475,712
Total	<u>1,191,275</u>	<u>1,331,621</u>

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

Academy		
Amounts payable:		
Within 1 year	237,224	193,990
Between 1 and 5 years	576,145	661,919
After more than 5 years	377,906	475,712
Total	<u>1,191,275</u>	<u>1,331,621</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the period ended 31 August 2017 the Trust received £77,643 (2016 - £106,401) and disbursed £91,962 (2016 - £61,939) from the fund. An amount of £52,494 is carried forward at 31 August 2017 (2016 - £66,812) relating to undistributed funds that are ultimately repayable to the ESFA.

26. RELATED PARTY TRANSACTIONS

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

The Quaglia Institute (formally Aspirations Unlimited International) is deemed to be a related party, through its founder Dr R Quaglia, who is both a Director of the Quaglia Institute and the Academy Trust. The Quaglia Institute develops innovative resources using the most current information about the state of student aspirations in today's schools. Surveys for staff, students and parents and associated support materials for students, teachers, school leaders, parents, school board members and coaches are available for schools that wish to measure and improve the "8 Conditions" that affect student and staff aspirations and success in schools. The Quaglia Institute charges the Trust, at or below cost, for access to Quaglia Institute's intellectual property and materials plus consultancy support, including travel and subsistence for Dr Quaglia. In the year ended 31 August 2017, £89,364 (2016: £89,364) was paid by the Trust to the Quaglia Institute. This contractual arrangement was agreed by the other Trustees in Dr Quaglia's absence, and complies with the requirements of the Academies Financial Handbook.

P Kenning, who is the spouse of S Kenning, a Trustee and Managing Director of the Academy Trust, is employed by the Trust as Deputy Managing Director. The total cost to the Trust of her employment, including employers pension contributions, during the year ended 31 August 2017 was £194,795 (2016 - £181,790).

The spouse of S Pink, the Director of Finance and Operations and a member of the key management personnel of the Academy Trust, is employed as a Finance Manager by the Academy Trust. The total cost to the Academy Trust of her employment, including employers pension contributions, during the year ended 31 August 2017 was £48,692 (2016 - £nil).

27. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. POST BALANCE SHEET EVENTS

On 1 September 2017 Stockley Academy and the Isle of Portland Aldridge Community Academy Trust, both existing standalone Academy Trusts, joined the Trust. The assets and liabilities of these Academy Trusts, which from 1 September 2017 are known as Park Academy West London and Atlantic Academy Portland respectively, were transferred to the Trust at their fair value as at 31 August 2017 and will be accounted for in the Trust's financial statements for the year ending 31 August 2018. Under the transfer agreement for the Isle of Portland Aldridge Community Academy Trust, the Trust has inherited a revenue fund deficit of £1m, which will be repaid to the ESFA over an extended period of time once the Isle of Portland Aldridge Community Academy Trust has been able to return to an in year surplus position.

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NOTES TO THE FINANCIAL STATEMENTS
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29. PRINCIPAL SUBSIDIARIES

Aspired Recruitment Ltd

Subsidiary name	Aspired Recruitment Ltd
Company registration number	08930758
Basis of control	Sole holder of 100% of issued share capital of the company
Equity shareholding %	100%
Total assets as at 31 August 2017	£ -
Total liabilities as at 31 August 2017	£ -
Total equity as at 31 August 2017	£ -
Turnover for the year ended 31 August 2017	£ -
Expenditure for the year ended 31 August 2017	£ 12,469
Loss for the year ended 31 August 2017	£ (12,469)