
ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

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 2018**

Members

R Bosch Sancho
M Corso
R McNulty

Trustees

A Swidler (resigned 14 November 2017)
S Kenning, Managing Director and Accounting Officer¹
C Bault¹
L Lande (resigned 3 October 2018)
R Bosch Sancho¹
V Daniels, Chair of Trustees¹
I Livingstone
R Prime
P Kenning (appointed 1 September 2017)¹
T Baig (appointed 1 February 2018)
M Brocklehurst (appointed 14 March 2018)
Dr R Quaglia (resigned 8 March 2018)

¹ Member of the Risk Remuneration and Finance Committee

Company registered number

07867577

Company name

Aspirations Academies Trust

Principal and registered office

Rivers Academy, Tachbrook Road, Feltham, Middlesex, TW14 9 PE

Company secretary

F Achamfour-Yeboah (appointed 1 September 2018)
S Pink (resigned 31 August 2018)

Senior management team

S Kenning, Managing Director
P Kenning, Deputy Managing Director
S Pink, Director of Finance and Operations (until 31 August 2018)
J Reece, HR Director
F Achamfour-Yeboah, Interim Director of Finance (from 1 September 2018)
R Lall, Director of Estates

Independent auditors

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



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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 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Aspirations Academies Trust operates as an Academy Trust for pupils aged 2 to 18 serving a catchment area in Banbury in Oxfordshire, Hounslow, Hillingdon and Islington in London, and Bournemouth and Poole on the South Coast and Isle of Portland, with a pupil capacity of 9,615 and 7,001 pupils currently enrolled based on the October 2018 Census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the Aspirations Academies Trust. The details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements 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 Members, Trustees and the Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

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

Organisational Structure

At 31 August 2018, the Academy Trust comprised the following individual academies:

- Wykham Park Academy Banbury
- Dashwood Banbury Academy
- Harriers Banbury Academy
- Rivers Academy West London
- Oriel Academy West London
- Oak Hill Academy West London
- Magna Academy Poole
- Jewell Academy Bournemouth
- Space Studio Banbury
- Space Studio West London
- Ocean Academy Poole
- Tech City College
- Park Academy West London
- Atlantic Academy Portland

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 Trust also has a The Risk, Remuneration and Finance Committee which monitors the Trust's budget and finances on a monthly and meets 4 times a year.

The Board of Trustees delegates a number of functions to the 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 Boards 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 operational responsibility of the Trust to the Executive Operational Board, which comprises the Senior Management Team led by the Managing Director and the District Directors of Education. The Executive Operational Board delivers the Trust strategy and maintains oversight of Trust performance. As part of its oversight function, the Executive Operational Board is also responsible for conducting financial and educational monitoring of the Trust's academies. The running of each individual academy is delegated to the Principal of each academy.

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 Trust in charge of directing and controlling, running and operating the Academy Trust 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 Academy Trust. The details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements.

The pay of the Senior Management Team, excluding the Managing Director and Deputy Managing Director, is reviewed annually in line with the Academy Trust's pay and remuneration policy, with reference to published pay scales for non-teaching support staff, the responsibilities and accountability of the respective roles and to the annual appraisal undertaken by the Managing Director which measures performance to objectives and targets set at the beginning of the academic year.

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

The Managing Director and Deputy Managing Director are appraised annually by the Risk, Remuneration and Finance Committee against the objectives and targets set at the beginning of the academic year. The pay of the Managing Director and Deputy Managing Director is then set based on the Academy Trust's pay and remuneration policy, the objectives and targets set for the coming academic year and available market information for similar roles in other Multi-Academy Trusts.

Related Parties and Other Connected Charities and Organisations

The Trust continued to operate in association with the Quaglia Institute during the year. The Trust and the Quaglia Institute are considered to be 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. Dr R Quaglia resigned as a Trustee and Director of the Trust on 8 March 2018.

Details of the transactions with the Quaglia Institute during the year are disclosed in note 27 of the financial statements.

OBJECTIVES AND ACTIVITIES

Objectives 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 2-18 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 has 9 core principles built around the three guiding principles of self-worth, engagement and purpose:

- . High expectations
- . Opportunities
- . Challenge
- . Talent development
- . Innovation and enterprise
- . Makers and creators
- . Global
- . Employability
- . With big dreams and hard work anything is possible

Objectives, Strategies and Activities

The key priorities for the year were contained in the Academy Trust's Development Plan, which forms part of the Trust's five year plan.

The Trust considers that its beliefs and principles are applicable and effective with students from age 2 to 18. 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 2-18) Academy Districts, with pre-school, primary, secondary and sixth form academies working coherently together.

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

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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key Financial 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 2018, the balance of the unrestricted and restricted funds were £2,556,243, which is an decrease of £147,121 from the level of reserves held at 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 2018 census were 7,001 which is an increase from the previous census, when comparing the schools that were in the Trust in both of these years. In addition, a further 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.

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

Staffing costs are another key performance indicator for the Academy Trust and the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total costs (excluding depreciation and LGPS FRS102 pension and interest cost adjustments) was 78% (2017: 76%), while the percentage of staff costs (excluding LGPS FRS102 pension cost adjustments) to total educational grant income (being recurring grant income from the DfE/ESFA and Local Authorities) was 79% (2017: 76%).

Review of Activities

The achievements and performance of the Trust and its academies during the year are presented as follows.



ASPIRATIONS

First schools September 2012
(1/0)

September 2018 **FOURTEEN**
+ two Livingstone Academies (2020)

All in areas of significant deprivation
Three all through age Districts South
Central, South Coast, West London

Four primary schools (2-11)
Two junior schools (7-11)
Four secondary schools (11-18)
One all through age (3-18)
Two Space Studio schools (14-18)
One Post 16 college (16-18)

On joining the trust
Six had been in special measures in their
recent futures
ONE was Requires Improvement
FOUR were brand new schools

Now
10 Good/Outstanding
2 Requires Improvement
7 Special measures (new to the trust September 2017 year to
be inspected)

Governance
Trust Board
Executive Operational Board
Staff Boards (6)
Local Advisory Boards (14)

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

| Aspirations Academies Trust Board Academic Dashboard - September 2017 | | | | | | | | | |
|---|-----------------|--|------------------------------------|-----------------------------------|---|-----------------|--|---|-----------------------|
| Banbury District | | | | | | | | | |
| Academy | Phase | Population (present population/capacity) | % disadvantaged students (not ave) | Deprivation level (national ave.) | % students statement SEN or EHC (not ave) | Overall absence | Attainment against national averages | Position in relation to similar schools | Current Ofsted rating |
| Wykhm Park (formerly Banbury) | Secondary 11-18 | 851 (1190) | 31.3 (29.1) | 0.16 (0.20) | 1.2 (4.3) | 5.6 (5.4) | Below in progress 8 and 4-9 E-M | 31/55 (2017) | Good (2018) |
| Dashwood | Primary 2-10 | 363 (420) | 29.5 (24.9) | 0.22 (0.21) | 0.3 (2.9) | 4.3 (4.0) | Above in expected RWM, below in higher. Above in R, W and M | 58/125 (2017) | Good (2018) |
| Harriers | Primary 3-10 | 397 (420) | 24.7 (24.9) | 0.18 (0.21) | 0.9 (2.9) | 4.8 (4.0) | below in all areas | 32/125 (2017) | Good (2018) |
| Space Studio Banbury | Secondary 14-18 | 74 (300) | 18.2 (29.1) | 0.13 (0.20) | 1.0 (4.3) | 5.6 (5.4) | Progress 8 is below, 4-9 above | 55/55 (2017) | Good (2017) |

| Aspirations Academies Trust Board Academic Dashboard - September 2017 | | | | | | | | | |
|---|-----------------|--|------------------------------------|-----------------------------------|---|-----------------------------------|---|---|-----------------------------|
| London District | | | | | | | | | |
| Academy | Phase | Population (present population/capacity) | % disadvantaged students (not ave) | Deprivation level (national ave.) | % students statement SEN or EHC (not ave) | Latest attendance rate (not ave.) | Attainment against national averages | Position in relation to similar schools | Current Ofsted rating |
| Oak Hill | Junior 7-11 | 471 (480) | 33.5 (24.9) | 0.22 (0.21) | 0.6 (2.9) | 3.8 (4.0) | Well above in all areas | 50/125 (2017) | Good (2017) |
| Oriel | Primary 2-11 | 401 (420) | 32.8 (24.9) | 0.28 (0.21) | 0.2 (2.9) | 3.9 (4.0) | All well above national | 95/125 (2017) | Good (2018) |
| Park | Secondary 11-18 | 764 (1200) | 49.6 (28.9) | 0.29 (0.20) | 24.6 (11.0) | 92.1 | Below in all measures but improving | 52/55 (2017) | Requires Improvement (2017) |
| Rivers | Secondary 11-18 | 1019 (1205) | 42.6 (29.1) | 0.25 (0.20) | 1.5 (4.3) | 6.0 (5.4) | Above in progress 8, just about national average in 4-9 E-M | 19/55 (2017) | Requires Improvement (2017) |
| Space Studio West London | Secondary 14-18 | 192 (300) | 38.7 (29.1) | 0.25 (0.20) | 2.9 (4.3) | 6.7 (5.4) | Progress 8 below, 4-9 E-M above | 50/55 (2017) | Good (2018) |
| Tech City College | Post 16 16-18 | 66 (400) | | | | 92 | Below expectations | | Requires Improvement (2017) |

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

| Aspirations Academies Trust Board Academic Dashboard - September 2017 | | | | | | | | | |
|---|------------------|--|------------------------------------|-----------------------------------|---|------------------------|--------------------------------------|---|-----------------------------|
| South Coast District | | | | | | | | | |
| Academy | Phase | Population (present population/capacity) | % disadvantaged students (nat.ave) | Deprivation level (national ave.) | % students statement SEN or EHC (nat.ave) | Latest attendance rate | Attainment against national averages | Position in relation to similar schools | Current Ofsted rating |
| Atlanta | All-through 3-18 | 786 (1370) | 34.7 (28.9) | 0.28 (0.20) | 17.2 (11.0) | 93.2 | Well below in all measures | 114/125, 54/55 (2016) | Requires Improvement (2017) |
| Jewel | Primary 2-10 | 400 (420) | 35.6 (24.9) | 0.19 (0.20) | 0.6 (2.9) | 4.6 (4.0) | No results yet | | Requires Improvement (2017) |
| Magna | Secondary 11-18 | 858 (1100) | 29.0 (29.1) | 0.19 (0.20) | 1.0 (4.3) | 4.5 (5.4) | Progress 8 above, 4-9 E-M above | 3/55 (2017) | Requires Improvement (2017) |
| Ocean | Junior 7-10 | 359 (350) | 30.0 (24.9) | 0.19 (0.20) | 0.6 (2.9) | 4.6 (4.0) | No results yet | | Requires Improvement (2017) |

| KS2 2018 SATs | | | | | | | |
|------------------|--------------------------|-----------------------------|---------------------|---------------|------------------|----------------|------------------|
| Year | Academy | KS2 R,W,M Combined expected | R,W,M Greater depth | Spag Expected | Reading expected | Maths expected | Writing expected |
| 2018 | Atlantic (As IPACA 2017) | 73% | 17% | 80% | 78% | 73% | 70% |
| 2017 | | 60% | 8% | 75% | 75% | 73% | 69% |
| 2018 | Doshwood | 63% | 3% | 80% | 82% | 72% | 83% |
| 2017 | | 70% | 6% | 82% | 79% | 76% | 79% |
| 2018 | Harriers | 61% | 9% | 79% | 70% | 77% | 70% |
| 2017 | | 76% | 17% | 91% | 87% | 87% | 85% |
| 2018 | Oak Hill | 64% | 12% | 81% | 71% | 72% | 81% |
| 2017 | | 75% | 16% | 90% | 84% | 94% | 86% |
| 2018 | Oriel | 61% | 14% | 83% | 76% | 78% | 86% |
| 2017 | | 57% | 5% | 93% | 84% | 70% | 92% |
| Nat Average 2018 | | 64% | 9% | 78% | 75% | 76% | 78% |

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

Summer Examinations - GCSE 2018

| Academy | Year | Number of students in Y11 | Progress 8 score (estimate based on most recent MATIVA update) | Attainment 8 score | % of students achieving Grades 9-4 in English and maths GCSEs | % of students achieving Grades 9-5 in English and maths GCSEs |
|----------|------|---------------------------|--|--------------------|---|---|
| Atlantic | 2018 | 80 | 0.19 | 44.39 | 51.25 | 27.5 |
| | 2017 | 117 | -1.06 | 32.57 | 42 | 19 |
| Banbury | 2018 | 89 | -0.96 | 37.53 | 44.94 | 29.21 |
| | 2017 | 118 | -0.38 | 42.28 | 52 | 32 |
| Magna | 2018 | 105 | 1.14 | 51.73 | 64% | 48% |
| | 2017 | 78 | 0.23 | 48.33 | 54 | 35 |
| Park | 2018 | 136 | -0.19 | 41.9 | 52.8 | 29.2 |
| | 2017 | 166 | -0.27 | 40.26 | 44 | 23 |
| Rivers | 2018 | 133 | 0.17 | 47.5 | 61 | 35 |
| | 2017 | 128 | 0.13 | 44.68 | 59.4 | 31.3 |
| SSB | 2018 | 25 | -0.8 | 41.38 | 60.0 | 32.0 |
| | 2017 | 43 | -1.06 | 44.8 | 65 | 40 |
| SSWL | 2018 | 35 | 0.21 | 50.09 | 77 | 51 |
| | 2017 | 50 | -1.25 | 44.37 | 66 | 38 |

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

A level 2018

| Academy | Year | Number of students in Y13 | % of students achieving AAB or higher in at least 2 facilitating subjects | % of A* grades | % of A+ grades | % of B+ grades | % of C+ grades | % of D+ grades | % of E+ grades |
|---------|------|---------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Rivers | 2018 | 36 | 7 | 0 | 20.0 | 35 | 70 | 86 | 97 |
| | 2017 | 85 | 2.7 | | | 28.2 | 62.3 | | 95.3 |
| Magna | 2018 | 17 | 0 | 0 | 0 | 14% | 46% | 73% | 92% |
| | 2017 | 29 | 0 | | | 0 | 37 | | 92 |
| Banbury | 2018 | 17 | 23.53 | 4.88 | 39.02 | 65.85 | 85.37 | 95.12 | 100 |
| | 2017 | 53 | 7.6 | | | 43.5 | 67.4 | | 95.2 |
| SSB | 2018 | 13 | 7.69 | 0 | 11.43 | 31.43 | 65.71 | 94.29 | 100 |
| | | | | | | | | | |
| SSWL | 2018 | 14 | 0 | 3 | 6 | 13 | 19 | 39 | 66 |
| | 2017 | | 0 | | | 18 | 28 | | 74 |
| IC | 2018 | 12 | 0 | 0 | 7.4 | 22.2 | 37.0 | 59.3 | 88.9 |
| | 2017 | 26 | 0 | | | 8 | 18 | | 73 |
| Park | 2018 | 68 | 2.9 | 4.6 | 13.9 | 23.2 | 37.2 | 60.4 | 79 |
| | | | | | | | | | |

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

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 over the coming years.

FINANCIAL REVIEW

The majority of the Academy Trust's income is received from the 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 2018 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 2018, the Trust received total income, including capital grants and net assets transferred from academies joining the Trust, of £89,472,305 (2017: £32,511,569), while expenditure for the year, including depreciation and LGPS FRS102 pension cost and interest cost adjustments, totalled £45,825,849 (2017: £33,319,913). Excluding the impact of capital grants, net assets transferred from academies joining the Trust, depreciation and LGPS FRS102 pension cost and interest cost adjustments, the total operating income for the year was £41,280,102 (2017: £30,405,764) and the total operating expenditure for the year was £40,314,947 (2017: £29,341,924), thereby giving a net operating surplus for the year of £965,155 (2017: £1,063,840).

Fixed assets, other assets and liabilities and LGPS deficits were transferred to the Academy Trust from those academies joining the Trust during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £44,609,021. The details of the net assets transferred are set out in Note 22 to the financial statements.

The net book value of fixed assets at 31 August 2018 is £122,739,032 (2017: £69,088,297), which includes the value of fixed assets transferred from academies joining the Trust in the year of £52,760,401 and depreciation charges for the year of £3,604,902 (2017: £2,641,989). 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 2018 were £108,225,275 which comprised of the following:

| | |
|---|---------------|
| Restricted Funds (excluding Pension Liability): | £918,894 |
| Restricted Pension Liability Fund | (£17,070,000) |
| Restricted Fixed Asset Fund | £122,669,079 |
| Unrestricted Funds | £1,637,349 |

Included within the Academy Trust's balance sheet at year end is a defined benefit pension scheme liability of £17,070,000 (2017: £11,918,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the individual academies within the Trust. Further details regarding the deficit in the LGPS at 31 August 2018 are set out in note 24 to the financial statements.

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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 operating income, which equates to approximately £2,000,000. 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 2018 is £108,225,277 of which £1,637,349 is free reserves (that is, total funds less the amount held in total restricted funds). Although the current level of free reserves of £1,637,349 is marginally below the target level identified above, the Board of Trustees and the Senior Management Team continue to look at and evaluate strategies for raising additional income across the Trust for the Academy Trust whilst also reviewing key areas of operational expenditure so that an overall surplus position can be repeated in future years so that the targeted reserves levels can be achieved.

The value of the restricted fixed asset fund at 31 August 2018 is £122,739,032, which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2018 of £17,070,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact 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.

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.

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers.

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.

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

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% (2017: 96%) of the Academy Trust's incoming revenue resources (excluding amounts transferred on from academies joining the Trust in the year) 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.

Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme(s), and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

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

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or trade debtors where there would be a significant effect on the Academy Trust's liquidity. The Academy Trust does have a long term debt owed to the ESFA of £1,000,000 which relates to the revenue deficit inherited from Atlantic Academy upon joining the Trust on 1 September 2017. The Trust is not required to make any repayments to the ESFA of this debt before 1 September 2020 and as such this is treated as a long term debt in the financial statements.

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.

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.

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

Fraud and mismanagement of funds

All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has utilised the Deputy Director of Finance and Operations to carry out a detailed financial controls review at each of the Trust's academies during the year, with the aim of ensuring individual academies are adhering to the Trust-wide financial policies and procedures and that risks from fraud and mismanagement of funds are appropriately mitigated.

The Academy Trust has also engaged Whitley Stimpson Limited, the external auditor, during the year to perform a program of work aimed at reviewing certain aspects of the Trust's financial systems and controls as required by the Academies Financial Handbook, including the Trust's compliance with the requirements of the Academies Financial Handbook.

TRADE UNION FACILITY TIME

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 5 | 4 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 5 |
| 1% - 50% | 0 |
| 51% - 99% | 0 |
| 100% | 0 |

Percentage of pay bill spent on facility time

| | |
|---|-------------|
| Total cost of facility time | £520 |
| Total pay bill | £22,089,000 |
| Percentage of total pay bill spent on facility time | 0.0% |

Paid trade union activities

| | |
|---|------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 0.0% |
|---|------|

FUNDRAISING

The Trustees are satisfied that the Academy Trust has complied with the requirements of the Charities (Protection and Social Investment) Act 2016 in relation to its fundraising activities during the year.

The Trust has not used any professional fundraisers or commercial participators to carry out any fundraising activities during the year. The nature of the fundraising activities undertaken by the Trust and the individual academies within the Trust during the year are entirely voluntary, and predominantly relate to voluntary contributions from parents which are used for the purposes of educational provision of pupils at the individual academies.

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

The Senior Management Team monitor the Trust's fundraising activities throughout the year and report to the Board of Trustees. The Board of Trustees are satisfied that no vulnerable individuals were approached as part of the fundraising activities during the year and that there were no unreasonable intrusions on individuals' privacy or unreasonable persistent approaches to individuals for the purposes of soliciting or procuring money or other property on behalf of the Academy Trust during the year.

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:

- 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 continue to grow the Trust slowly and only add free schools, converter academies or existing 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 ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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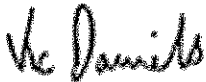
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 31 December 2018 and signed on its behalf by:



Mr V Daniels
Chair of Trustees

ASPIRATIONS ACADEMIES TRUST
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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 |
|------------------------------|-------------------|-------------------|
| A Swidler | 0 | 1 |
| S Kenning | 3 | 3 |
| C Bault | 3 | 3 |
| L Lande | 1 | 3 |
| R Bosch Sancho | 1 | 3 |
| V Daniels, Chair of Trustees | 3 | 3 |
| I Livingstone | 2 | 3 |
| R Prime | 3 | 3 |
| P Kenning | 3 | 3 |
| T Baig | 2 | 2 |
| M Brocklehurst | 0 | 1 |
| Dr R Quaglia | 1 | 1 |

Review of Governance

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness, which resulted in a number of additional Trustee appointments during the year. The Trust's governance structure continues to be reviewed and evaluated on an annual basis. The systems of governance and delegation between Members, Trustees, the Executive Operational Board, District Boards and Local Advisory Bodies was further refined during the year to improve clarity and required skill sets of the various levels and to reduce duplication between the various levels.

The Board of Trustees also undertook a detailed skills audit during the year. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Risk, Remuneration and Finance Committee

The Risk, Remuneration and Finance Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust.

This Committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| S Kenning | 4 | 4 |
| P Kenning | 4 | 4 |
| V Daniels | 4 | 4 |
| C Bault | 4 | 4 |
| R Bosch Sancho | 3 | 4 |

The key issue dealt with by the Risk, Remuneration and Finance Committee during the year was the review of the Academy Trust's 3 year financial forecasts and the actions required to address the reduced funding and increased costs expected over this period.

The Committee also considered the approval of all business cases for expenditure in excess of £50,000, reviewed the termly safeguarding report and reviewed the outcomes and recommendations from the internal and external review of the Trust's financial systems and controls undertaken during the year.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Managing Director 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 CASE, 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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GOVERNANCE STATEMENT (continued)

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Risk Remuneration and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed the Deputy Director and Finance and Operations, to carry out a detailed financial controls review at each of the Trust's academies during the year, with the aim of ensuring individual academies are adhering to the Trust-wide financial policies and procedures and that risks from fraud and mismanagement of funds are appropriately mitigated. The Trustees also engaged Whitley Stimpson Limited, the external auditor, to perform a program of work aimed at reviewing certain aspects of the Trust's financial systems and controls as required by the Academies Financial Handbook, including the Trust's compliance with the requirements of the Academies Financial Handbook.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On an annual basis, the reviewer reports to the Board of Trustees through the Risk Remuneration and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Deputy Director of Finance and Operations and the external auditors completed the schedule of work as planned, visiting every academy in the Trust and reviewing the Trust's overall compliance with the Academies Financial Handbook. A number of recommendations were identified from the work undertaken and an action plan has been developed to address the areas highlighted and to improve internal control systems and procedures going forward.

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 reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal

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GOVERNANCE STATEMENT (continued)

control by the Risk Remuneration and Finance 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 31 December 2018 and signed on their behalf, by:



Mr V Daniels
Chair of Trustees



S Kenning
Accounting Officer

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



S Kenning
Accounting Officer

Date: 31 December 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 31 December 2018 and signed on its behalf by:



Mr V Daniels
Chair of Trustees

ASPIRATIONS ACADEMIES TRUST
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**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 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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**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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report including the Strategic report and Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report and Directors' 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 Trust 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 Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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
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**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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

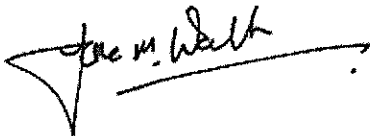
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Jonathan Mark Walton ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Whitley Stimpson Limited

Penrose House
67 Hightown Road
Banbury
OXON
OX16 9BE

31 December 2018

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

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aspirations Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 & 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Whitley Stimpson Ltd

Reporting Accountant

Whitley Stimpson Limited

Penrose House
67 Hightown Road
Banbury
OXON
OX16 9BE

31 December 2018

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

| | Note | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--|------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | (8,192,806) | 56,343,583 | 130,115 | 48,280,892 | 2,156,986 |
| Charitable activities | 3 | 39,684,037 | - | - | 39,684,037 | 29,127,830 |
| Teaching schools | 30 | 56,000 | - | - | 56,000 | 60,000 |
| Other trading activities | 4 | - | - | 1,448,226 | 1,448,226 | 1,163,498 |
| Investments | 5 | - | - | 3,150 | 3,150 | 3,255 |
| TOTAL INCOME | | 31,547,231 | 56,343,583 | 1,581,491 | 89,472,305 | 32,511,569 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | - | - | 1,145,470 | 1,145,470 | 758,502 |
| Charitable activities | | 41,019,477 | 3,604,902 | - | 44,624,379 | 32,501,411 |
| Teaching schools | 30 | 56,000 | - | - | 56,000 | 60,000 |
| TOTAL EXPENDITURE | 6 | 41,075,477 | 3,604,902 | 1,145,470 | 45,825,849 | 33,319,913 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 18 | (9,528,246) | 52,738,681 | 436,021 | 43,646,456 | (808,344) |
| | | - | 220,896 | (220,896) | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | (9,528,246) | 52,959,577 | 215,125 | 43,646,456 | (808,344) |
| Actuarial gains on defined benefit pension schemes | 24 | - | - | 4,014,000 | 4,014,000 | 1,842,000 |
| NET MOVEMENT IN FUNDS | | (9,528,246) | 52,959,577 | 4,229,125 | 47,660,456 | 1,033,656 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | (10,636,860) | 69,779,455 | 1,422,224 | 60,564,819 | 59,531,163 |
| TOTAL FUNDS CARRIED FORWARD | | (20,165,106) | 122,739,032 | 5,651,349 | 108,225,275 | 60,564,819 |

The notes on pages 35 to 63 form part of these financial statements.

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

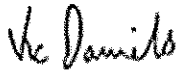
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|--|------|------------------|---------------------|------------------|---------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 13 | | - | | - |
| Tangible assets | 14 | | <u>122,739,032</u> | | <u>69,088,297</u> |
| | | | 122,739,032 | | 69,088,297 |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 2,895,552 | | 1,480,824 | |
| Cash at bank and in hand | | <u>5,043,631</u> | | <u>5,206,990</u> | |
| | | | 7,939,183 | | 6,687,814 |
| CREDITORS: amounts falling due within one year | 16 | | <u>(4,382,940)</u> | | <u>(3,293,292)</u> |
| NET CURRENT ASSETS | | | 3,556,243 | | 3,394,522 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 126,295,275 | | 72,482,819 |
| CREDITORS: amounts falling due after more than one year | 17 | | <u>(1,000,000)</u> | | <u>-</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | 125,295,275 | | 72,482,819 |
| Defined benefit pension scheme liability | 24 | | <u>(17,070,000)</u> | | <u>(11,918,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | 108,225,275 | | 60,564,819 |
| FUNDS OF THE ACADEMY TRUST | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 18 | 918,894 | | 1,281,140 | |
| Restricted fixed asset funds | 18 | | <u>122,739,032</u> | | <u>69,779,455</u> |
| Restricted income funds excluding pension liability | | | <u>123,657,926</u> | | <u>71,060,595</u> |
| Pension reserve | | | <u>(17,070,000)</u> | | <u>(11,918,000)</u> |
| Total restricted income funds | | | 106,587,926 | | 59,142,595 |
| Unrestricted funds | 18 | | <u>1,637,349</u> | | <u>1,422,224</u> |
| TOTAL FUNDS | | | 108,225,275 | | 60,564,819 |

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue, on 31 December 2018 and are signed on their behalf, by:



Mr V Daniels
Chair of Trustees

The notes on pages 35 to 63 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 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|--|------|--------------------|---------------------|---------------------|---------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 13 | | - | | - |
| Tangible assets | 14 | | 122,739,032 | | 69,088,297 |
| | | | <u>122,739,032</u> | | <u>69,088,297</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 2,895,552 | | 1,480,824 | |
| Cash at bank and in hand | | 5,043,631 | | 5,206,990 | |
| | | | <u>7,939,183</u> | <u>6,687,814</u> | |
| CREDITORS: amounts falling due within one year | 16 | (4,382,938) | | (3,293,291) | |
| | | | <u>3,556,245</u> | | <u>3,394,523</u> |
| NET CURRENT ASSETS | | | <u>3,556,245</u> | | <u>3,394,523</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>126,295,277</u> | | <u>72,482,820</u> |
| CREDITORS: amounts falling due after more than one year | 17 | | (1,000,000) | | - |
| | | | <u>(1,000,000)</u> | | <u>-</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | <u>125,295,277</u> | | <u>72,482,820</u> |
| Defined benefit pension scheme liability | 24 | | (17,070,000) | | (11,918,000) |
| | | | <u>(17,070,000)</u> | | <u>(11,918,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>108,225,277</u> | | <u>60,564,820</u> |
| FUNDS OF THE ACADEMY TRUST | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | | 918,894 | | 1,281,140 | |
| Restricted fixed asset funds | | 122,739,032 | | 69,779,455 | |
| | | | <u>123,657,926</u> | <u>71,060,595</u> | |
| Restricted funds excluding pension asset | | | <u>123,657,926</u> | <u>71,060,595</u> | |
| Pension reserve | | | (17,070,000) | (11,918,000) | |
| | | | <u>(17,070,000)</u> | <u>(11,918,000)</u> | |
| Total restricted funds | | | <u>106,587,926</u> | | <u>59,142,595</u> |
| Unrestricted funds | | | 1,637,351 | | 1,422,225 |
| | | | <u>1,637,351</u> | | <u>1,422,225</u> |
| TOTAL FUNDS | | | <u>108,225,277</u> | | <u>60,564,820</u> |

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

ACADEMY TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 31 December 2018 and are signed on their behalf, by:



Mr V Daniels
Chair of Trustees

The notes on pages 35 to 63 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 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 20 | <u>616,173</u> | <u>(563,893)</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 3,150 | 3,255 |
| Purchase of tangible fixed assets | | (4,495,486) | (1,619,392) |
| Capital grants from DfE Group | | 3,583,182 | 1,933,053 |
| Cash transferred from academies joining the Trust | | 129,622 | 60,947 |
| Net cash (used in)/provided by investing activities | | <u>(779,532)</u> | <u>377,863</u> |
| Change in cash and cash equivalents in the year | | (163,359) | (186,030) |
| Cash and cash equivalents brought forward | | <u>5,206,990</u> | <u>5,393,020</u> |
| Cash and cash equivalents carried forward | 21 | <u><u>5,043,631</u></u> | <u><u>5,206,990</u></u> |

The notes on pages 35 to 63 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 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

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

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

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Taxation

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

1.5 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.

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within Income and donations and capital grants.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 Operating leases

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

1.8 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 2018

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) |
| Leasehold property | - | 2% straight line on buildings |
| | - | leasehold land interests are not depreciated |
| Furniture and fixtures | - | 10% straight line |

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

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
(A company limited by guarantee)

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

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 notes 16 and 17. 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 24, 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.

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Transfers of existing academies to an Academy Trust

The transfer of existing academies to an Academy Trust involves the transfer of identifiable assets and liabilities and the operation of the academy for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred to an Academy Trust have been valued at their fair value. The fair value has been derived based on the value of the assets and liabilities as recorded in the previous academies financial statements. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from academies joining the Trust in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1.16 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 26.

1.17 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

ASPIRATIONS ACADEMIES TRUST
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Donations and capital grants | 88,195 | 3,583,182 | 494 | 3,671,871 | 1,984,234 |
| Net assets transferred from academies joining the Trust | (8,281,001) | 52,760,401 | 129,621 | 44,609,021 | 172,752 |
| | <u>(8,192,806)</u> | <u>56,343,583</u> | <u>130,115</u> | <u>48,280,892</u> | <u>2,156,986</u> |
| <i>Total 2017</i> | <u>50,841</u> | <u>1,933,052</u> | <u>173,093</u> | <u>2,156,986</u> | |

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

| | Restricted funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|--------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General annual grant | 35,350,883 | - | 35,350,883 | 25,550,886 |
| Start up grants | 454,400 | - | 454,400 | 628,000 |
| Pupil premium | 2,348,245 | - | 2,348,245 | 1,616,512 |
| Other DfE/EFA grants | 663,541 | - | 663,541 | 547,609 |
| | <u>38,817,069</u> | <u>-</u> | <u>38,817,069</u> | <u>28,343,007</u> |
| Other government grants | | | | |
| Local Authority grants | 866,968 | - | 866,968 | 784,823 |
| | <u>866,968</u> | <u>-</u> | <u>866,968</u> | <u>784,823</u> |
| Other funding | | | | |
| | - | - | - | - |
| | <u>39,684,037</u> | <u>-</u> | <u>39,684,037</u> | <u>29,127,830</u> |
| <i>Total 2017</i> | <u>29,127,830</u> | <u>-</u> | <u>29,127,830</u> | |

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4. OTHER TRADING ACTIVITIES

| | Restricted funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|---------------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Hire of Facilities | - | 357,822 | 357,822 | 253,193 |
| Academy trips | - | 384,963 | 384,963 | 246,206 |
| Consultancy income | - | 5,778 | 5,778 | 15,480 |
| Catering income | - | 203,251 | 203,251 | 147,321 |
| Uniform, exam fees & stationery sales | - | 74,329 | 74,329 | 49,114 |
| Other income | - | 422,083 | 422,083 | 452,184 |
| | - | 1,448,226 | 1,448,226 | 1,163,498 |
| <i>Total 2017</i> | - | 1,163,498 | 1,163,498 | |

5. INVESTMENT INCOME

| | Restricted funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ | Total funds 2017 £ |
|-------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | - | 3,150 | 3,150 | 3,255 |
| <i>Total 2017</i> | - | 3,255 | 3,255 | |

6. EXPENDITURE

| | Staff costs 2018 £ | Depreciation 2018 £ | Other costs 2018 £ | Total 2018 £ | Total 2017 £ |
|------------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Expenditure on fundraising trading | | | | | |
| Direct costs | - | - | 481,224 | 481,224 | 317,527 |
| Support costs | - | - | 664,246 | 664,246 | 440,975 |
| Activities: | | | | | |
| Direct costs | 26,515,897 | - | 2,585,041 | 29,100,938 | 21,301,413 |
| Support costs | 6,278,110 | 3,604,901 | 5,640,430 | 15,523,441 | 11,199,998 |
| Teaching schools | 56,000 | - | - | 56,000 | 60,000 |
| | 32,850,007 | 3,604,901 | 9,370,941 | 45,825,849 | 33,319,913 |
| <i>Total 2017</i> | 23,290,549 | 2,641,988 | 7,387,376 | 33,319,913 | |

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

7. SUPPORT COSTS

| | Unrestricted fund £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|--|---------------------------|--------------------------|--------------------|--------------------|
| Pension income | - | 493,000 | 493,000 | 260,000 |
| Technology costs | - | 603,863 | 603,863 | 270,149 |
| Other costs | 449,334 | 454,883 | 904,217 | 948,298 |
| Recruitment and support | - | 518,128 | 518,128 | 294,187 |
| Maintenance of premises and equipment | 4,732 | 437,805 | 442,537 | 541,415 |
| Cleaning | - | 947,087 | 947,087 | 796,019 |
| Rent & rates | - | 482,623 | 482,623 | 386,017 |
| Energy costs | 3,400 | 667,400 | 670,800 | 429,375 |
| Insurance | - | 200,459 | 200,459 | 136,997 |
| Security and transport | - | 166,752 | 166,752 | 108,470 |
| Catering | 206,780 | 668,430 | 875,210 | 658,039 |
| Wages and salaries | - | 3,837,259 | 3,837,259 | 2,441,726 |
| National insurance | - | 327,138 | 327,138 | 204,930 |
| Pension cost | - | 2,113,713 | 2,113,713 | 1,523,362 |
| Depreciation | - | 3,604,901 | 3,604,901 | 2,641,989 |
| | <u>664,246</u> | <u>15,523,441</u> | <u>16,187,687</u> | <u>11,640,973</u> |
| <i>Total 2017</i> | <u>440,975</u> | <u>11,199,998</u> | <u>11,640,973</u> | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: - owned by the charitable group | 3,604,901 | 2,641,989 |
| Operating lease rentals | 295,819 | 199,201 |
| Fees payable to the academy trust's auditors for the audit of the academy trust's annual accounts | 28,750 | 26,500 |
| Fees payable to the academy trust's auditors for all other non- audit services not included above | <u>12,700</u> | <u>18,049</u> |

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

| | 2018 | 2017 |
|--|------------|------------|
| | £ | £ |
| Wages and salaries | 24,021,922 | 17,059,157 |
| Social security costs | 2,208,284 | 1,585,549 |
| Operating costs of defined benefit pension schemes | 5,198,365 | 3,694,177 |
| | 31,428,571 | 22,338,883 |
| Agency staff costs | 1,163,118 | 786,487 |
| Staff restructuring costs | 258,318 | 165,179 |
| | 32,850,007 | 23,290,549 |

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments in the year totalling £159,150 (2017: there was a single non-statutory/non-contractual severance payment totalling £3,000). Individually the payments were £25,000, £12,750, £2,500, £5,000, £6,500, £30,000, £16,000, £5,050, £19,000, £30,000 and £7,350.

c. Staff numbers

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

| | 2018 | 2017 |
|-------------------|------|------|
| | No. | No. |
| Teachers | 401 | 275 |
| Admin and support | 286 | 205 |
| Management | 25 | 20 |
| | 712 | 500 |

d. Higher paid staff

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

| | 2018 | 2017 |
|---------------------------------|------|------|
| | No. | No. |
| In the band £60,001 - £70,000 | 12 | 6 |
| In the band £70,001 - £80,000 | 2 | 5 |
| In the band £80,001 - £90,000 | 5 | 4 |
| In the band £90,001 - £100,000 | 2 | 2 |
| In the band £100,001 - £110,000 | 3 | 2 |
| In the band £110,000 - £120,000 | 2 | 1 |
| In the band £130,000 - £140,000 | 1 | 0 |
| In the band £160,000 - £170,000 | 0 | 1 |

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9. STAFF COSTS (continued)

| | | |
|---------------------------------|---|---|
| In the band £170,000 - £180,000 | 1 | 0 |
| In the band £200,000 - £210,000 | 1 | 1 |

Of the above employees, 22 (2017: 17) participated in the Teachers' Pension Scheme, with employer contributions to the scheme during the year amounting to £312,225 (2017: £234,572) and 5 (2017: 3) participated in the Local Government Pension Scheme, with employer contributions to the scheme during the year amounting to £58,976 (2017: £36,679).

e. Key management personnel

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 £747,962 (2017: £634,864).

10. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Staff training and development services
- 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:

| | 2018 | 2017 |
|------------------------------|------------------|----------------|
| | £ | £ |
| Wykham Park Academy Banbury | 150,001 | 100,868 |
| Dashwood Academy Banbury | 53,244 | 48,422 |
| Harriers Academy Banbury | 62,588 | 61,244 |
| Rivers Academy West London | 231,476 | 237,945 |
| Oriel Academy West London | 71,591 | 72,754 |
| Oak Hill Academy West London | 74,735 | 67,784 |
| Magna Academy Poole | 167,129 | 173,986 |
| Jewell Academy Bournemouth | 63,347 | 54,269 |
| Space Studio Banbury | 22,494 | 29,339 |
| Space Studio West London | 48,674 | 40,174 |
| Ocean Academy Poole | 40,006 | 26,349 |
| Tech City College | 16,952 | 54,608 |
| Atlantic Academy Portland | 190,630 | - |
| Park Academy West London | 210,582 | - |
| Total | 1,403,449 | 967,742 |

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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:

| | | 2018 £ | 2017 £ |
|-----------|----------------------------|-----------------|-----------------|
| S Kenning | Remuneration | 210,000-215,000 | 205,000-210,000 |
| | Pension contributions paid | 0-5,000 | 0-5,000 |
| P Kenning | Remuneration | 170,000-175,000 | - |
| | Pension contributions paid | 25,000-30,000 | - |

During the year, 2 Trustees received any benefits in kind totalling £13,016 (2017 - 1 Trustee totalling £4,145).

During the year ended 31 August 2018, expenses totalling £1,888 (2017 - £8,215) were reimbursed to 3 Trustees (2017 - 5).

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 2017 and 31 August 2018 | 38,140 |
| Amortisation | |
| At 1 September 2017 and 31 August 2018 | 38,140 |
| Carrying amount | |
| At 31 August 2018 | - |
| At 31 August 2017 | - |

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

14. TANGIBLE FIXED ASSETS

| Group | Freehold property £ | Leasehold property £ | Furniture and fixtures £ | Plant and equipment £ | Motor vehicles £ |
|----------------------------------|---------------------------|----------------------------|--------------------------------|-----------------------------|------------------------|
| Cost | | | | | |
| At 1 September 2017 | 34,674,438 | 35,993,684 | 4,022,965 | 4,054,485 | 55,819 |
| Additions | 338,124 | 2,969,334 | 688,595 | 289,887 | - |
| Transfer on acquisition | 24,269,940 | 27,031,064 | 886,486 | 563,911 | 9,000 |
| Disposals | - | - | (250) | - | - |
| Transfers | - | - | 38,500 | - | - |
| At 31 August 2018 | <u>59,282,502</u> | <u>65,994,082</u> | <u>5,636,296</u> | <u>4,908,283</u> | <u>64,819</u> |
| Depreciation | | | | | |
| At 1 September 2017 | 1,833,426 | 3,211,553 | 1,505,722 | 3,180,823 | 40,247 |
| Charge for the year | 1,154,981 | 1,283,734 | 562,869 | 590,181 | 13,137 |
| At 31 August 2018 | <u>2,988,407</u> | <u>4,495,287</u> | <u>2,068,591</u> | <u>3,771,004</u> | <u>53,384</u> |
| Net book value | | | | | |
| At 31 August 2018 | <u>56,294,095</u> | <u>61,498,795</u> | <u>3,567,705</u> | <u>1,137,279</u> | <u>11,435</u> |
| At 31 August 2017 | <u>32,841,012</u> | <u>32,782,131</u> | <u>2,517,243</u> | <u>873,662</u> | <u>15,572</u> |
| Assets under construction | | | | | |
| Group | | | | £ | Total £ |
| Cost | | | | | |
| At 1 September 2017 | | | | 58,677 | 78,860,068 |
| Additions | | | | 209,546 | 4,495,486 |
| Transfer on acquisition | | | | - | 52,760,401 |
| Disposals | | | | - | (250) |
| Transfers | | | | (38,500) | - |
| At 31 August 2018 | | | | <u>229,723</u> | <u>136,115,705</u> |
| Depreciation | | | | | |
| At 1 September 2017 | | | | - | 9,771,771 |
| Charge for the year | | | | - | 3,604,902 |
| At 31 August 2018 | | | | <u>-</u> | <u>13,376,673</u> |
| Net book value | | | | | |
| At 31 August 2018 | | | | <u>229,723</u> | <u>122,739,032</u> |
| At 31 August 2017 | | | | <u>58,677</u> | <u>69,088,297</u> |

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

14. TANGIBLE FIXED ASSETS (continued)

| Academy Trust | Freehold land and buildings £ | Leasehold buildings £ | Furniture and fixtures £ | Plant and equipment £ | Assets under construction £ |
|-------------------------|--|-----------------------------|--------------------------------|-----------------------------|--------------------------------------|
| Cost | | | | | |
| At 1 September 2017 | 34,674,438 | 35,993,684 | 4,022,965 | 4,110,304 | 58,677 |
| Additions | 338,124 | 2,969,334 | 688,595 | 289,887 | 209,546 |
| Transfer on acquisition | 24,269,940 | 27,031,064 | 886,486 | 572,911 | - |
| Disposals | - | - | (250) | - | - |
| Transfers | - | - | 38,500 | - | (38,500) |
| At 31 August 2018 | <u>59,282,502</u> | <u>65,994,082</u> | <u>5,636,296</u> | <u>4,973,102</u> | <u>229,723</u> |
| Depreciation | | | | | |
| At 1 September 2017 | 1,833,426 | 3,211,553 | 1,505,722 | 3,221,070 | - |
| Charge for the year | 1,154,981 | 1,283,734 | 562,869 | 603,318 | - |
| At 31 August 2018 | <u>2,988,407</u> | <u>4,495,287</u> | <u>2,068,591</u> | <u>3,824,388</u> | <u>-</u> |
| Net book value | | | | | |
| At 31 August 2018 | <u>56,294,095</u> | <u>61,498,795</u> | <u>3,567,705</u> | <u>1,148,714</u> | <u>229,723</u> |
| At 31 August 2017 | <u>32,841,012</u> | <u>32,782,131</u> | <u>2,517,243</u> | <u>889,234</u> | <u>58,677</u> |

| Academy Trust | Total £ |
|-------------------------|--------------------|
| Cost | |
| At 1 September 2017 | 78,860,068 |
| Additions | 4,495,486 |
| Transfer on acquisition | 52,760,401 |
| Disposals | (250) |
| Transfers | - |
| At 31 August 2018 | <u>136,115,705</u> |
| Depreciation | |
| At 1 September 2017 | 9,771,771 |
| Charge for the year | 3,604,902 |
| At 31 August 2018 | <u>13,376,673</u> |
| Net book value | |
| At 31 August 2018 | <u>122,739,032</u> |
| At 31 August 2017 | <u>69,088,297</u> |

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

15. DEBTORS

| | <u>Group</u> | | <u>Academy Trust</u> | |
|--------------------------------|------------------|------------------|----------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Trade debtors | 88,792 | 137,991 | 88,792 | 137,991 |
| VAT recoverable | 922,372 | - | 922,372 | - |
| Other debtors | 46,396 | - | 46,396 | - |
| Prepayments and accrued income | 1,837,992 | 1,342,833 | 1,837,992 | 1,342,833 |
| | <u>2,895,552</u> | <u>1,480,824</u> | <u>2,895,552</u> | <u>1,480,824</u> |

16. CREDITORS: Amounts falling due within one year

| | <u>Group</u> | | <u>Academy Trust</u> | |
|------------------------------------|------------------|------------------|----------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Trade creditors | 1,948,975 | 980,384 | 1,948,975 | 980,384 |
| Other taxation and social security | 360,973 | 621,485 | 360,973 | 621,485 |
| GAG Abatement | 286,651 | 493,865 | 286,651 | 493,865 |
| Other creditors | 352,586 | 407,862 | 352,586 | 407,862 |
| Accruals and deferred income | 1,433,755 | 789,696 | 1,433,753 | 789,695 |
| | <u>4,382,940</u> | <u>3,293,292</u> | <u>4,382,938</u> | <u>3,293,291</u> |

| | <u>Group</u> | | <u>Academy Trust</u> | |
|--------------------------------------|----------------|----------------|----------------------|----------------|
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 September 2017 | 253,171 | 264,767 | 253,171 | 264,767 |
| Resources deferred during the year | 577,389 | 253,171 | 577,389 | 253,171 |
| Amounts released from previous years | (253,171) | (264,767) | (253,171) | (264,767) |
| Deferred income at 31 August 2018 | <u>577,389</u> | <u>253,171</u> | <u>577,389</u> | <u>253,171</u> |

Deferred income held as at 31 August 2018 comprise the following: £174,366 (2017 - £146,454) to provide universal infant free school meals in the 2018/19 year, £140,594 (2017 - £nil) for rates reimbursement funding for the 2018/19 year, and £262,429 (2017 - £106,717) of other items of income and grant funding that relates to the 2018/19 year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS: Amounts falling due after more than one year

| | <u>Group</u> | | <u>Academy trust</u> | |
|-----------|--------------|-----------|----------------------|-----------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| ESFA loan | 1,000,000 | - | 1,000,000 | - |

The ESFA loan relates to the revenue deficit inherited from Atlantic Academy upon it joining the Trust on 1 September 2017. The Trust is not required to make any repayments to the ESFA of this debt before 1 September 2020 and as such this is treated as a long term debt in the financial statements.

18. STATEMENT OF FUNDS

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|---------------------------------------|---|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 1,422,224 | 1,581,491 | (1,145,470) | (220,896) | - | 1,637,349 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 435,562 | 35,350,883 | (34,340,061) | - | - | 1,446,384 |
| Start Up grants | 681,831 | 454,400 | (663,721) | - | - | 472,510 |
| Other ESFA and Local Authority grants | 145,188 | 3,934,754 | (4,079,942) | - | - | - |
| Other restricted income | 18,559 | (932,806) | (85,753) | - | - | (1,000,000) |
| Pension reserve | (11,918,000) | (7,260,000) | (1,906,000) | - | 4,014,000 | (17,070,000) |
| | <u>(10,636,860)</u> | <u>31,547,231</u> | <u>(41,075,477)</u> | <u>-</u> | <u>4,014,000</u> | <u>(16,151,106)</u> |
| Restricted Fixed Asset Funds | | | | | | |
| Fixed assets | 69,088,296 | 52,760,401 | (3,604,902) | 4,495,237 | - | (22,739,032) |
| DfE/EFA and other capital grants | 691,159 | 3,583,182 | - | (4,274,341) | - | - |
| | <u>69,779,455</u> | <u>56,343,583</u> | <u>(3,604,902)</u> | <u>220,896</u> | <u>-</u> | <u>22,739,032</u> |
| Total restricted funds | <u>59,142,595</u> | <u>87,890,814</u> | <u>(44,680,379)</u> | <u>220,896</u> | <u>4,014,000</u> | <u>106,587,926</u> |
| Total of funds | <u>60,564,819</u> | <u>89,472,305</u> | <u>(45,825,849)</u> | <u>-</u> | <u>4,014,000</u> | <u>108,225,275</u> |

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FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

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 2018.

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 reserves relates to the LGPS defined benefit scheme.

The restricted fixed asset fund represents the depreciated replacement cost of the predecessors 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 predecessors 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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

| | Total 2018 £ | Total 2017 £ |
|--|-----------------------------|-----------------------------|
| Banbury Academy | (907,450) | (420,014) |
| Dashwood Banbury Academy | 228,765 | 317,054 |
| Harriers Banbury Academy | 141,773 | 36,376 |
| Space Studio Banbury | 98,567 | 65,332 |
| Rivers Academy West London | 1,197,379 | 1,068,056 |
| Oriel Academy West London | 74,142 | 123,790 |
| Oak Hill Academy West London | 209,643 | 265,527 |
| Magna Academy Poole | (7,678) | (132,135) |
| Jewell Academy Bournemouth | 524,749 | 410,909 |
| Ocean Academy Poole | 34,062 | (24,789) |
| Tech City College | 167,661 | 680,495 |
| Central office | 713,133 | 245,483 |
| Space Studio West London | 19,680 | 67,280 |
| Park Academy West London | 452,987 | - |
| Atlantic Academy | (391,170) | - |
| Total before fixed asset fund and pension reserve | 2,556,243 | 2,703,364 |
| Restricted fixed asset fund | 122,739,032 | 69,779,455 |
| Pension reserve | (17,070,000) | (11,918,000) |
| Total | 108,225,275 | 60,564,819 |

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

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

| Name of academy | Amount of deficit £ |
|------------------------|--------------------------------|
| Banbury Academy | (907,450) |
| Magna Academy Poole | (7,678) |
| Atlantic Academy | (391,170) |

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 in previous years and the lagged funding effect of this. Pupil numbers are rising again and the Trust expects the academy to gradually reduce its cumulative deficit once the lagged funding effect unwinds.

Magna Academy Poole significantly reduced its cumulative deficit this year. The academy is projected to continue to generate an operating surplus over the new few years and the growing roll will make this achievable, thereby eliminating the overall cumulative deficit.

Atlantic significantly reduced its inherited deficit this year. The inherited deficit includes £1,000,000 of ring fenced debt that the ESFA has agreed to postpone repayments until September 2020 when the Academy will make payments from future surplus and will not be funded by the Trusts reserves. The academy is projected to return to cumulative surplus in the next few years.

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

18. 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 depreciat- ion £ | Total 2018 £ | Total 2017 £ |
|------------------------------|---|--------------------------------------|------------------------------|--|--------------------|--------------------|
| Wykham Park Academy | 2,850,291 | 655,547 | 344,989 | 780,241 | 4,631,068 | 4,653,242 |
| Dashwood Academy | 1,161,973 | 118,995 | 70,046 | 305,740 | 1,656,754 | 1,488,996 |
| Harriers Academy | 1,229,104 | 172,326 | 95,937 | 285,598 | 1,782,965 | 1,763,380 |
| Space Studio Banbury | 305,077 | 61,716 | 47,984 | 125,619 | 540,396 | 607,326 |
| Rivers Academy | 3,991,134 | 585,023 | 362,459 | 947,245 | 5,885,861 | 6,074,688 |
| West London Space Studio | 885,766 | 105,682 | 130,668 | 231,623 | 1,353,739 | 1,191,581 |
| Oriel Academy | 1,307,961 | 381,884 | 103,188 | 308,391 | 2,101,424 | 2,165,097 |
| West London Oak Hill Academy | 1,482,857 | 300,836 | 144,934 | 353,117 | 2,281,744 | 2,091,566 |
| Magna Academy | 2,801,153 | 474,135 | 381,698 | 769,497 | 4,426,483 | 4,195,788 |
| Jewell Academy | 1,321,625 | 90,246 | 136,976 | 297,290 | 1,846,137 | 1,483,452 |
| Bournemouth Ocean Academy | 751,419 | 87,550 | 91,325 | 164,860 | 1,095,154 | 789,719 |
| Tech City College | 430,201 | 354,385 | 43,022 | 264,001 | 1,091,609 | 1,234,568 |
| Central office | 712,653 | 712,835 | 190,300 | 402,143 | 2,017,931 | 1,615,639 |
| Atlantic Academy | 2,862,386 | 958,323 | 223,521 | 719,113 | 4,763,343 | - |
| Park Academy | 3,348,334 | 841,803 | 332,554 | 891,228 | 5,413,919 | - |
| West London | 25,441,934 | 5,901,286 | 2,699,601 | 6,845,706 | 40,888,527 | 29,355,042 |

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

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 September 2016 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2017 £</i> |
|---------------------------------------|--|--------------------------|----------------------------|-----------------------------------|----------------------------------|--|
| General funds | | | | | | |
| General funds | 840,880 | 1,339,846 | (758,502) | - | - | 1,422,224 |
| | <u>840,880</u> | <u>1,339,846</u> | <u>(758,502)</u> | <u>-</u> | <u>-</u> | <u>1,422,224</u> |
| 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 |
| Other DfE/EFA grants | - | 2,224,121 | (2,224,121) | - | - | - |
| Other ESFA and Local Authority 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 | | | | | | |
| Fixed assets | 70,128,994 | - | (2,660,089) | 1,619,391 | - | 69,088,296 |
| DfE/EFA and other capital grants | 377,497 | 1,933,053 | - | (1,619,391) | - | 691,159 |
| 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> |

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Unrestricted funds 2018 £ | Total funds 2018 £ |
|--|----------------------------------|---|------------------------------------|-----------------------------|
| Tangible fixed assets | - | 122,739,032 | - | 122,739,032 |
| Current assets | 6,301,833 | - | 1,637,349 | 7,939,182 |
| Creditors due within one year | (4,382,939) | - | - | (4,382,939) |
| Creditors due in more than one year | (1,000,000) | - | - | (1,000,000) |
| Provisions for liabilities and charges | (17,070,000) | - | - | (17,070,000) |
| | <u>(16,151,106)</u> | <u>122,739,032</u> | <u>1,637,349</u> | <u>108,225,275</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Restricted funds 2017 £</i> | <i>Restricted fixed asset funds 2017 £</i> | <i>Unrestricted funds 2017 £</i> | <i>Total funds 2017 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | 69,088,297 | - | 69,088,297 |
| Current assets | 4,666,394 | 691,158 | 1,422,224 | 6,779,776 |
| Creditors due within one year | (3,385,254) | - | - | (3,385,254) |
| 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> |

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

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

| | Group | |
|--|----------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 43,646,456 | (808,344) |
| Adjustment for: | | |
| Depreciation charges | 3,604,902 | 2,641,988 |
| Dividends, interest and rents from investments | (3,150) | (3,255) |
| Loss on the sale of fixed assets | 250 | 18,100 |
| (Increase)/decrease in debtors | (1,414,728) | 2,003,276 |
| Increase/(decrease) in creditors | 1,068,647 | (3,757,658) |
| Capital grants from DfE and other capital income | (3,583,182) | (1,933,053) |
| Net assets transferred from academies joining the Trust | (44,479,400) | - |
| FRS 102 LGPS pension cost adjustments | 1,906,000 | 1,336,000 |
| Cash transferred from academies joining the Trust | (129,622) | (60,947) |
| Net cash provided by/(used in) operating activities | 616,173 | (563,893) |

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group | |
|--------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Cash in hand | 5,043,631 | 5,206,990 |
| Total | 5,043,631 | 5,206,990 |

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

22. ACADEMY TRANSFER TO THE ACADEMY TRUST

On 1 September 2017, the Atlantic Academy and Park Academy transferred to the Aspirations Academies Trust from the Portland Aldridge Community Academy Trust and the Stockley Academy Trust respectively for £NIL consideration.

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

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 £ | Unrestricte d funds £ | Total funds £ |
|---|--------------------------|---|-----------------------------|---------------------|
| Tangible fixed assets | | | | |
| - Leasehold land and buildings | 51,301,004 | - | - | 51,301,004 |
| - Other tangible fixed assets | 1,459,397 | - | - | 1,459,397 |
| Cash funds | - | - | 129,622 | 129,622 |
| LGPS pension deficit | - | (7,260,000) | - | (7,260,000) |
| Other identified assets and liabilities | - | (1,021,001) | - | (1,021,001) |
| Net assets/(liabilities) | <u>52,760,401</u> | <u>(8,281,001)</u> | <u>129,622</u> | <u>44,609,022</u> |

The above net assets include £129,622 that were transferred as cash.

23. CAPITAL COMMITMENTS

At 31 August 2018 the Group and Academy Trust had capital commitments as follows:

| | Group | | Academy trust | |
|---|----------------|----------------|----------------|----------------|
| | 2018 £ | 2017 £ | 2018 £ | 2017 £ |
| Contracted for but not provided in these financial statements | <u>236,042</u> | <u>118,917</u> | <u>236,042</u> | <u>118,917</u> |

24. 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.

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

24. PENSION COMMITMENTS (continued)

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 £275,550 were payable to the schemes at 31 August 2018 (2017 - 313,767) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The employer's pension costs paid to TPS in the period amounted to £2,512,546 (2017 - £1,801,012).

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).

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

24. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,523,000 (2017 - £1,126,000), of which employer's contributions totalled £1,139,000 (2017 - £833,000) and employees' contributions totalled £384,000 (2017 - £293,000). The agreed contribution rates for future years are 9.9% to 21.0% for employers together with additional lump sum deficit 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.

Principal actuarial assumptions:

| | 2018 | 2017 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.75 % | 2.47 % |
| Rate of increase in salaries | 3.35 % | 4.17 % |
| Rate of increase for pensions in payment / inflation | 2.57 % | 2.57 % |

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

| | 2018 | 2017 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.7 | 23.1 |
| Females | 25.5 | 26.0 |
| Retiring in 20 years | | |
| Males | 24.8 | 25.4 |
| Females | 27.7 | 28.4 |

| Sensitivities | At 31 August 2018 £ | At 31 August 2017 £ |
|----------------------|---------------------------|---------------------------|
| Discount rate -0.1% | (34,864,400) | (20,455,000) |
| Inflation rate +0.1% | (35,493,200) | (20,372,000) |
| Pay growth +0.1% | (34,805,400) | (20,455,000) |

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

24. PENSION COMMITMENTS (continued)

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

| | Fair value at 31 August 2018 £ | Fair value at 31 August 2017 £ |
|------------------------------|---|---|
| Equities | 10,322,000 | 4,877,813 |
| Gilts | - | 578,016 |
| Corporate bonds | 2,526,000 | 1,029,190 |
| Other | 2,484,000 | 717,097 |
| Property | 1,585,000 | 642,240 |
| Cash and other liquid assets | 791,000 | 184,644 |
| | <u>17,708,000</u> | <u>8,029,000</u> |

The actual return on scheme assets was £673,000 (2017 - £384,000).

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

| | 2018 £ | 2017 £ |
|--------------------------------|--------------------|--------------------|
| Current service cost | (2,546,000) | (1,903,000) |
| Interest income | 424,000 | 157,000 |
| Interest cost | (917,000) | (419,000) |
| | <u>(3,039,000)</u> | <u>(2,165,000)</u> |
| Actual return on scheme assets | <u>673,000</u> | <u>384,000</u> |

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

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Opening defined benefit obligation | 19,947,000 | 19,119,000 |
| Transferred in on existing academies joining the trust | 15,155,000 | - |
| Current service cost | 2,546,000 | 1,903,000 |
| Interest cost | 917,000 | 419,000 |
| Employee contributions | 384,000 | 293,000 |
| Actuarial gains | (3,765,000) | (1,615,000) |
| Benefits paid | (406,000) | (172,000) |
| | <u>34,778,000</u> | <u>19,947,000</u> |

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

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

| | 2018 £ | 2017 £ |
|--|-------------------|------------------|
| Opening fair value of scheme assets | 8,029,000 | 6,695,000 |
| Transferred in on existing academies joining the trust | 7,895,000 | - |
| Interest income | 424,000 | 157,000 |
| Actuarial (losses)/gains | 249,000 | 227,000 |
| Employer contributions | 1,139,000 | 833,000 |
| Employee contributions | 384,000 | 293,000 |
| Benefits paid | (406,000) | (172,000) |
| Administration expenses | (6,000) | (4,000) |
| | <u>17,708,000</u> | <u>8,029,000</u> |

25. OPERATING LEASE COMMITMENTS

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

| Group | 2018 £ | 2017 £ |
|-------------------------|------------------|------------------|
| Amounts payable: | | |
| Within 1 year | 285,999 | 237,224 |
| Between 1 and 5 years | 529,740 | 576,145 |
| After more than 5 years | 314,572 | 377,906 |
| Total | <u>1,130,311</u> | <u>1,191,275</u> |

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

| Academy trust | | |
|-------------------------|------------------|------------------|
| Amounts payable: | | |
| Within 1 year | 285,999 | 237,224 |
| Between 1 and 5 years | 529,740 | 576,145 |
| After more than 5 years | 314,572 | 377,906 |
| Total | <u>1,130,311</u> | <u>1,191,275</u> |

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26. 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 £77,445 (2017 - £77,643) and disbursed £63,283 (2017 - £91,962) from the fund. An amount of £62,311 is included in creditors at 31 August 2018 (2017 - £52,494) relating to undistributed funds that are ultimately repayable to the ESFA.

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

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 during part of the year. 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 2018, £29,788 (2017: £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 and is also a Trustee. The total cost to the Trust of her employment, including employers pension contributions and other benefits, during the year ended 31 August 2018 was £208,048 (2017 - £194,795).

A Cant, the spouse of S Pink, the Director of Finance and Operations and a member of the key management personnel of the Academy Trust, was employed as a Finance Manager by the Academy Trust during the year. The total cost to the Academy Trust of her employment, including employers pension contributions, during the year ended 31 August 2018 was £54,553 (2017 - £48,692). A Cant was paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a member of the key management personnel of the Academy Trust.

28. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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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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 2018 | £ 113 |
| Total liabilities as at 31 August 2018 | £ - |
| Total equity as at 31 August 2018 | £ 113 |
| Turnover for the year ended 31 August 2018 | £ 55 |
| Expenditure for the year ended 31 August 2018 | £ (1) |
| Profit for the year ended 31 August 2018 | £ 54 |

30. TEACHING SCHOOL TRADING ACCOUNT

| | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|---------------------------------|-----------|-----------|-----------|-----------|
| INCOME | | | | |
| DIRECT INCOME | | | | |
| Income | 56,000 | | 60,000 | |
| TOTAL INCOME | | 56,000 | | 60,000 |
| EXPENDITURE | | | | |
| DIRECT EXPENDITURE | | | | |
| Direct staff costs | 56,000 | | 60,000 | |
| TOTAL EXPENDITURE | | 56,000 | | 60,000 |
| SURPLUS FROM ALL SOURCES | | - | | - |

