

REGISTRAR OF COMPANIES



AIM Academies Trust

Report and Financial Statements

31 August 2018

Company Limited by Guarantee
Registration Number
04389132 (England and Wales)

TUESDAY



A7L1F8RD

A20

18/12/2018

#172

COMPANIES HOUSE

Contents

Reports

Reference and administrative information	1
Directors' report (incorporating a strategic report)	2
Governance statement	17
Statement on regularity, propriety and compliance	20
Statement of directors' responsibilities	21
Independent auditor's report	22
Independent reporting accountant's report	26

Financial statements

Statement of financial activities	28
Balance sheet	29
Statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	38

Reference and administrative information

Members	<p>P Shalson J Menell P O'Hear R Hatter</p>
Directors	<p>P Shalson (Sponsor) A H Trigg * (resigned 31 August 2018) P McGrath* (appointed 1 September 2018) P O'Hear (Chair) (Academy Director) Dr M H Platt (Academy Director) J Menell (Vice Chair) M B Shalson M H Van Praagh (Academy Director) N J Portelli S J Poliins Lord Leigh</p>
Executive Principal*	<p>A H Trigg (until 31 August 2018) P McGrath (from 1 September 2018)</p>
Principal – London Academy	<p>P McGrath (until 31 August 2018) A Warburton (from 1 September 2018)</p>
Headteacher – Deansbrook Junior School	<p>S Putman</p>
Director of Finance and Operations	<p>B Felmer (until 2 March 2018)</p>
Chief Finance Officer	<p>M Ford</p>
Registered office	<p>London Academy Spur Road Edgware Middlesex HA8 8DE</p>
Company registration number	<p>04389132 (England and Wales)</p>
Auditor	<p>Buzzacott LLP 130 Wood Street London EC2V 6DL</p>
Bankers	<p>Lloyds TSB 190 Great Portland Street London W1A 4LN</p>

Directors' report (incorporating a strategic report) Year to 31 August 2018

The directors of AIM Academies Trust (the Academy Trust) (the Company), who are also trustees of the Academy Trust for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 32 to 37 of the attached financial statements, and comply with the Academy Trust's memorandum and articles of association, the Companies Act 2006 and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

The Academy Trust is a company limited by guarantee (company registration number 04389132) which was established on 7 March 2002. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust.

On 27 March 2013 the directors of the Academy Trust, who under the articles of association in force at the time were referred to as the Governors, signed a new Master Funding Agreement with the Secretary of State for Education enabling the Academy Trust to operate a number of academies. Under the Master Funding Agreement, the Academy Trust is required to enter a supplemental agreement relating to each academy the Academy Trust operates. Supplemental agreements were signed in respect of the London Academy, an Academy that the Academy Trust has operated since 2004 and Deansbrook Junior School, a school which was previously operated by the London Borough of Barnet Council, which converted into an Academy with effect from 1 April 2013.

As part of this process the directors passed a resolution to adopt the new Multi Academy Model Mainstream articles of association approved by the Secretary of State for Education.

Members

Under the articles of association the members of the Academy Trust shall comprise the signatories to the memorandum; up to three persons who may be appointed by the Principal Sponsor; the chairman of the directors; and any persons appointed by the members by passing a special resolution in writing to appoint such additional members as they think fit provided that such appointment is in the interests of the Academy Trust.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

The Academy Trust is a company limited by guarantee, without share capital, and an exempt charity. Every member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while she/he is a member, or within one year after she/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before she/he ceases to be a member.

Directors

Under the articles of association of the Academy Trust, the number of directors shall be not less than three, but unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The Academy Trust shall have up to ten directors appointed by members; two Academy Directors from each Academy, subject to certain limits; two Parent Directors, unless the Local Governing Bodies (see below) include at least two parent members; and the Executive Principal should one be appointed. The Academy Trust may also have Co-opted Directors appointed by the directors subject to certain restrictions. The total number of directors including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of directors.

The term of office for any director shall be four years save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

A director shall cease to hold office if she/he resigns her/his office by notice to the Academy Trust; or if she/he is removed by the person or persons who appointed him, unless she/he is a Parent Director.

The following directors were in office during the year to 31 August 2018 and served up to the date of this report except as stated below:

Directors	Appointed/ Resigned
P Shalson	
A H Trigg	Resigned 31 August 2018
P O'Hear	
Dr M H Platt	
Lord Leigh	
P McGrath	Appointed 1 September 2018
J Menell	
M B Shalson	
M H Van Praagh	
N J Portelli	
S Kahan	Resigned 31 May 2018
SJ Pollins	

During the period under review the directors held 3 meetings.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors (continued)

Certain directors receive remuneration in respect of services they provide undertaking the roles of Executive Principal/Principal and staff and not in respect of their services as directors. The remuneration of these directors, for the period of their appointment as directors, is shown in note 8 to the financial statements. Other directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors.

Directors have received reimbursement of expenses for travel, subsistence and accommodation to the value of £2,263 from the Academy Trust during the year in the course of their duties as director.

Training of directors

The Academy Trust provides regular director training which included this year, data interpretation and safeguarding.

Management

As a charity and company limited by guarantee, the Academy Trust is governed by the directors who are responsible for, and oversee, the management and administration of the Academy Trust and the academies operated by the Academy Trust.

The directors are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

The directors delegate a number of functions to the local governing body ("LGB"), of each academy the Academy Trust operates. The LGBs are established to ensure the good governance of each academy. The local governors are people with appropriate skills and knowledge to serve on a board. A Scheme of Delegation for each Academy explains the ways in which the directors fulfil their responsibilities for the leadership and management of the Academy, the respective roles and responsibilities of the directors and the members of the LGB and the commitments to each other to ensure the success of the Academy Trust.

The chair and the vice chair of each LGB are appointed as directors of the Academy Trust and are referred to as Academy Directors.

The directors have appointed Angela Trigg as Executive Principal of the Academy Trust. Each Academy has a Headteacher/ Principal of the Academy.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust Board determines the pay range to be advertised, and agree pay on appointment, taking into consideration the full responsibilities of the role. All teaching staff salaries, including those of the Executive Principal, Head Teacher/Principal, deputy head(s) and assistant head(s) are reviewed annually to take effect from 1 September. The pay committee reviews pay in accordance with the latest performance review. The pay committee determines the pay of support staff in accordance with the School Staffing (England) Regulations 2009.

The Trust Board acts with integrity, confidentiality, objectivity and honesty in the best interests of the Academy; and is open about decisions made and actions taken, and is prepared to explain decisions and actions to interested persons. Its procedures for determining pay are consistent with the principles of public life: objectivity, openness and accountability.

Key management personnel comprise the directors and the senior management team as listed on page 1.

Trade union facility time

The Academy Trust had no trade union officials in the year incurring time spent on facility time.

Risk management

The directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academies, and its finances. The directors have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remain they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls which is explained in more detail in the following sections.

Directors' report (incorporating a strategic report) Year to 31 August 2018

OBJECTIVES AND ACTIVITIES

Aims and objectives

Under the articles of association, the principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream Academies) offering a broad and balanced curriculum.

The main activity of the Academy Trust since 1 September 2004 was the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology.

Deansbrook Junior School joined the Academy Trust in partnership on 1 April 2013.

The move to multi academy status gives London Academy the opportunity to develop a strong and meaningful partnership with one of its main feeder primary schools.

Multi academy status has been founded on a strong resonance of values and mission to ensure that any child can succeed through learning.

Deansbrook Junior School is a mixed community school for children between the ages of 7 and 11 and promotes high standards of achievement both in work and in behaviour. It also provides a happy, safe and caring environment in which everyone can achieve their full potential.

The Academy Trust aims to meet the educational needs of its community by providing a high quality, flexible learning environment from KS2 to KS5 in which students will be among the leaders for tomorrow.

The main objectives of the Academy Trust are summarised below:

- ◆ to raise the standard of educational achievement of all pupils;
- ◆ to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- ◆ to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- ◆ to provide value for money for the funds expended;
- ◆ to comply with all appropriate statutory and curriculum requirements;
- ◆ to maintain close links with industry and commerce; and
- ◆ to conduct business in accordance with the highest standards of integrity, probity and openness.

Directors' report (incorporating a strategic report) Year to 31 August 2018

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

Through partnership, challenge, support and collaboration the Academy Trust will support all of its Academies to realise the vision of delivering and achieving outstanding outcomes for every child.

To this end the activities provided include:

- ◆ tuition and learning opportunities for all students to attain appropriate academic qualifications;
- ◆ training opportunities for all staff;
- ◆ secondments and placing of students with industrial and commercial partners;
- ◆ a programme of sporting and after-school activities for all students; and
- ◆ careers advice to help students obtain employment or move on to higher education.

The local governors are responsible for ensuring that on behalf of the directors, high standards of corporate governance are maintained. The directors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of each Academy, addressing such matters as:

- ◆ the development of each academy in line with the Trust and the Academy's strategic priorities and vision;
- ◆ monitoring, evaluation and improvement of teaching and learning;
- ◆ standards and key performance indicators for each Academy;
- ◆ establishing and maintaining effective internal controls;
- ◆ monitoring the use of budgets;
- ◆ making major decisions about the direction of each Academy
- ◆ senior staff appointments;
- ◆ the management of all resources;
- ◆ the monitoring of performance;
- ◆ setting the Trust's standards of conduct and values;
- ◆ assessing and managing risk.

The Academies aim to meet the educational needs of its community by providing a high quality, flexible learning environment in which technology plays a key role.

Directors' report (incorporating a strategic report) Year to 31 August 2018

OBJECTIVES AND ACTIVITIES (continued)

Key Values

- ◆ Respect
- ◆ Responsibility for ourselves and others
- ◆ Integrity (honesty and respect)
- ◆ Good citizenship
- ◆ Creativity
- ◆ Scholarship

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The directors consider that the Academy Trust's aims are demonstrably to the public benefit.

Working with other organisations

The Academy Trust is working closely with the Department for Education (DfE), the Education and Skills Funding Agency (ESFA) and the Local Education Authority. Other local community links include Education Business Partnership, Community Trust Steering Group, Primary Partnerships, Safer Neighbourhood Panel and the Stonegrove Regeneration Project.

Equal opportunities

The directors understand that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of the people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Personnel

The Academy Trust has implemented a detailed policy in relation to personnel matters including a special leave policy.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT

Achievements and performance

AIM Academies Trust exists to transform tradition by developing Leaders for Tomorrow.

The trust was formed as a partnership between Deansbrook Junior School and London Academy with a singular, shared vision that with excellent teaching any child can achieve.

Our shared background has inspired the Trust to build up a broad network of partnerships to aid and develop student opportunity, experience, drive and success. It is our belief that there should be no barriers to each child's future and no limits to what they can achieve.

Children can join the trust from age 4 in reception and continue their education to age 19 with the guarantee of an exceptional education experience.

All provision is rated by Ofsted as Good with many elements Outstanding. London Academy is ranked in the top 9% of schools in the country for its GCSE results in 2018.

London Academy

The excellent 2018 results achieved by London Academy students have demonstrated that their hard work and commitment paid off. London Academy is a truly remarkable school with hard working teachers inspiring and supporting every student through some of the most challenging stages in their education. The results showcase the continued commitment to shaping positive futures by developing the unique talent of every child and creating Leaders for Tomorrow.

Results at KS4 mark the academies strongest performance with a progress 8 score of 0.66. English Progress was 1.04 and Maths 0.95 demonstrating outstanding progress.

London Academy GCSE students achieved record breaking 7-9 grades and 4-9 grades across many subjects, including Biology, Chemistry, Physics, Mathematics and Spanish, building on previous years' high standards. Headline figures this year surpass the achievements of last year and exceed last year's national averages.

The A level results ensured that over a quarter of all students have gone to Russell Group universities, including Imperial College London, King's College, London, London School of Economics and 2017 was the sixth consecutive year of Oxbridge offers.

As well as exceptional individual student success stories, there have been strong performances in core subjects including Mathematics, Further Mathematics, Spanish and Geography.

A number of individual students achieved exceptional results, with universities just the next chapter in their aspirational future career plans ranging from Biomedical Science, English Literature, Geography, International Relations and Mathematics.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Achievements and performance (continued)

London Academy Overall A Level Results 2018:

- ◆ Students achieved 60% A*- B grades and 90% A*- C.
- ◆ 100% of grades A*-B in Further Mathematics
- ◆ 63% of grades A*-B in Mathematics
- ◆ 100% of grades A*-B in Spanish
- ◆ 75% of grades A*-B in Geography
- ◆ 63% of grades A*-B in Physics

London Academy GCSE Results 2018:

- ◆ Progress 8: 0.66
- ◆ English and Mathematics: 67% achieved 4+
- ◆ English and Mathematics: 51% achieved 5+
- ◆ Chemistry: 51% achieved 7-9
- ◆ Biology: 47% achieved 7-9
- ◆ Spanish: 57% achieved 7-9
- ◆ Physics: 43% achieved 7-9

Deansbrook Junior School

Children at Deansbrook Junior School are encouraged to become lifelong learners who are prepared to go out into the world without any fear of the unknown, with the confidence to deal with successes and failures, and know how to learn from them. We work together to ensure children leave school with pride

Deansbrook Junior School is an innovative and creative school, constantly seeking inspirational ways to engage and excite children. The quality of the school grounds and classrooms are exceptional and the high standards of achievement reflect this.

The children, their parents and their teachers have a real voice in the school. All stakeholders' views are taken seriously and acted upon. Deansbrook Junior School provides a happy, safe and caring environment in which every child can achieve their full potential. High standards of achievement are promoted both in work and in behaviour and children are encouraged to develop high self-esteem; learning to respect others.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Deansbrook Primary Results 2018

The school delivers an exciting, challenging and vibrant curriculum, enriched with extra-curricular activities, visits and school journeys.

The school achieved outstanding Key Stage 2 results in 2018:

- ◆ 89% achieved the expected standard or above in Mathematics
- ◆ 83% achieved the expected standard or above in Writing
- ◆ 84% achieved the expected standard or above in Reading
- ◆ 88% achieved the expected standard or above in Grammar, Punctuation and Spelling.
- ◆ Reading Progress: 2.03
- ◆ Writing Progress: 0.43
- ◆ Mathematics Progress: 2.55

Going concern

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

Key performance indicators

Financial

Maximisation of Funded Student Numbers

The Academies remain highly popular and student numbers have continued to grow. Increases are now fully reflected in student year groups through Year 7 to Year 11, maximising student funding entitlement for the Academy Trust across these year groups. At sixth form, despite growing competition from a range of local providers, the London Academy is one of the largest in Barnet with 350 students. The Academy remains abundantly aware that such popularity is based upon several key components, incorporating results and reputation, and it prioritises these as its most appropriate marketing tools in this area.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial (continued)

Staffing

A professional, appropriate and dedicated staffing is key to achieving success and the Academy Trust seeks to directly employ its entire staff excluding its catering and cleaning operations, which are outsourced. The staffing also includes a significant number of pastoral support staff who continue to work with students who may find it difficult to work within a class based setting to ensure their successful reintegration to lessons.

Funding

Student numbers determine the vast majority of funding available to the Academy Trust. Aside from seeking to maximise this, the Academy also aims to ensure value for money in its expenditure. Through prudent use of funds, the Academy Trust seeks to enhance flexibility by carrying forward funds from one academic year to the next where possible, in order to fund identified capital works as necessary to continue to enhance provision at the Academies. Directors also seek to maintain unrestricted reserves as outlined within its Reserves Policy.

Results at Key Stage 2-5

The highly impressive examination results and levels of student attainment referred to earlier in the directors' report are of paramount importance to the overall accomplishment of the Academy Trust. Success in these areas would indicate that the Academies have recruited the appropriate staffing to deliver such outcomes; that the environment within which student learning takes place is conducive to achieve these outcomes and that the resourcing requirements have been met to underpin the delivery of such pleasing achievements. Such deliverance maintains the high regard in which the Academies are held within the community and is integral to forming positive foundations for inspection processes.

Financial review for the year

The financial statements have been prepared in accordance with the current statutory requirements, the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA) and the Academy Trust's governing documents.

Most of the Academy Trust's income is obtained from the ESFA, an agency of the DfE, 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 are shown as restricted funds in the Statement of Financial Activities.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Financial review (continued)

Financial review for the year (continued)

The Academies also receive grants and donations for fixed assets from the ESFA and the local authority. In accordance with the ESFA Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income of the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy Trust's total income for the year ended 31 August 2018 amounted to £12,174,344 (2017 - £22,906,897) of which £11,283,783 (2017 - £12,016,283) related to ESFA revenue grants funding to cover the Academy Trust's educational operations.

During the year ended 31 August 2018, total expenditure was £13,682,086 (2017 - £14,189,299). The net expenditure for the year including the transfer to the fixed assets fund but excluding restricted fixed asset funds was £1,507,742 (2017 – net income £8,717,598).

At 31 August 2018 the net book value of fixed assets was £42,359,757 (2017 - £43,315,744). Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Financial and risk management objectives and policies

The Academy Trust has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

Liquidity risk

The Academy Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested through appropriate use of financial instruments with our principal bankers so as to maximise interest income without incurring undue risk.

Interest rate risk

In the absence of borrowings and with low prevailing interest rates, the Academy Trust is not exposed to significant interest rate risk.

Directors' report (incorporating a strategic report) Year to 31 August 2018

STRATEGIC REPORT (continued)

Financial review (continued)

Financial and risk management objectives and policies (continued)

Other risks

The Academy Trust is exposed to price risks, but is funded by government on the same basis as other academies and budgets accordingly. Nearly all funding comes from government so credit risk is considered to be negligible.

Reserves policy

The directors recognise that the Academy Trust needs to hold reserves for a range of reasons, the most common of which are given below:

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, e.g. underestimate of examination fees. It is the Academy Trust's policy to build up reserves which can be used for future education purposes in line with the development plan; and
- ◆ the deficit in the pension fund for support staff.

The directors will ensure that the reserves policy continues to conform to the guidance given by the ESFA.

The sponsor, chair and vice chair are in the process of developing a strategic plan which ensures that they have a sustainable action plan for the future which focuses on maintaining, sustaining and improving the attainment of outcomes. Once this is done, the directors will be clearer about the financial needs including the level of reserves required to ensure that resources available are sufficient to implement its development plan.

Financial position

The Academy Trust held reserves of £42,662,270 at 31 August 2018, comprising £41,094,202 of restricted funds (which includes a pension reserve deficit of £2,422,000) and free reserves of £1,568,068 represented by the unrestricted general funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks and uncertainties to which the Academy Trust is exposed, in particular those relating to recruitment, provision of facilities, academy finances and other academy functions. Key risks and uncertainties identified include changes and reductions in funding for capital projects and uncertainties in funding.

Directors' report (incorporating a strategic report) Year to 31 August 2018

FUNDRAISING

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- ◆ approach to fundraising
- ◆ work with, and oversight of, any commercial participators/ professional fundraisers
- ◆ fundraising conforming to recognised standards
- ◆ monitoring of fundraising carried out on its behalf
- ◆ fundraising complaints
- ◆ protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The Academy Trust only held small fundraising events during the year including school fetes, plays, concerts, non-uniform days. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

PLANS FOR FUTURE PERIODS

London Academy formed a multi academy trust in April 2013 with Deansbrook Junior School, one of London Academy's main feeder primary schools.

The Trust has developed capacity over the last two years and our plan is to expand the number of schools in the Trust within geographical clusters. The Trust has submitted two applications for Free schools in Wave 13. We want to expand in a responsible way, growing steadily to adapt to the capacity we have within the trust. We are committed to serve communities that fit with our mission. We are committed to our trust being geographically sensible. We hope to grow to be a Trust of 10 schools by 2025.

We believe that at least 20 – 30% of schools in the Trust should be secondary. The geographical proximity to the existing Trust schools should facilitate sharing of services and professional expertise or there may be the potential to form a new local cluster.

The acceptance of a school within the Trust will be dictated by a process of due diligence which takes account of the following factors:

- ◆ The quality and capacity of the current governance arrangements;
- ◆ The current and longer term financial position of the school and the state of its assets ;
- ◆ The standard of education and the staff profile;
- ◆ The student profile and recent trends, change in ethnic population, gender balance, levels of disadvantage;
- ◆ The current pupil roll and future pupil planning data.

Directors' report (incorporating a strategic report) Year to 31 August 2018

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust did not hold any funds as custodian on behalf of others.

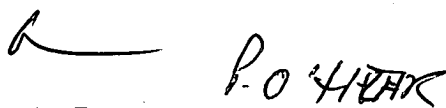
AUDITOR

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the director has taken all the steps that she/he ought to have taken as a director in order to make herself/himself aware of any relevant audit information and to establish that the Academy Trust's auditor is aware of that information.

Directors' reports, incorporating a strategic report, were approved by order of the members of the board of directors and signed on its behalf by:

Director



AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Governance statement Year to 31 August 2018

Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that the Academy Trust and its Academies have 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 directors have delegated the day-to-day responsibility to the Executive Principal, 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 master funding agreement between the Academy Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors' report and in the statement of directors' responsibilities.

As described in the directors' report, the directors delegate a number of functions to the local governing body (LGB) of each Academy. These LGBs meet as appropriate throughout the year in order to govern the affairs of the individual Academies. As described in the directors' report, the chair and vice chair of the LGBs is also a director of the Academy Trust. Each LGB also has a finance sub-committee which is responsible for monitoring the finances of the Academy.

The directors have formally met 3 times during the year. Attendance during the year at meetings of the directors is given below:

	Number of meetings attended	Out of a possible
Directors		
P Shalson	2	3
A H Trigg (as Executive Principal)	3	3
P O'Hear	2	3
Dr M H Platt	3	3
Lord Leigh	2	3
J Menell	2	3
M B Shalson	2	3
S Pollins	2	3
M H Van Praagh	2	3
N J Portelli	2	3
S Kahan	2	2
Others – non directors		
P McGrath (as Principal – London Academy)	3	3
S Putnam (Headteacher – Deansbrook Junior School)	3	3
B Felmer (Director of Finance and Operations)	2	2

Governance statement Year to 31 August 2018

Governance (continued)

Governance: other matters

There was a training session for Trust Board members and governors about performance measures and how governors should use data to evaluate how well the academies are doing. Our new parent governor in primary has also had an introductory session on the performance measures used in primary.

Review of value for money

As Accounting Officer, the Executive Principal, 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 the academic year, and reports to the directors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Outcomes at KS2, KS4 and KS5, which indicate that the use of the pupil premium has been highly effective in that young people exceed not only national figures for disadvantaged students but in many instances perform better than non-disadvantaged students nationally and within the Academies.
- ◆ Building projects in both Academies have been tightly managed and in Deansbrook Junior School have been brought to successful completion within budget and to a high standard.
- ◆ Overall outcomes across the Academy Trust exceed national averages at every key stage. In addition, we have a high proportion of young people now progressing to Russell group Universities as a direct result of targeted interventions such as ACCESS, Brilliant Club, Future First, Careers Academy and summer masterclasses.

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 the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Governance statement Year to 31 August 2018

Capacity to handle risk

The directors have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The directors are of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the LGBs and reported to the directors.

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 LGBs and reported to the directors;
- ◆ regular reviews by the LGBs 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 directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor.

The board are responsible for the internal reviews of financial procedures at the Academy Trust. They have outsourced to Buzzacott LLP the responsibility of performing the checks, as suggested by the September 2017 Academies Handbook.

Approved by order of the directors and signed on their behalf by:

Chair of directors

Executive Principal and Accounting Officer

Approved on: 5 12. 18

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Statement on regularity, propriety and compliance Year to 31 August 2018

As Accounting Officer of AIM Academies Trust I have considered my responsibility to notify the Academy Trust directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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 directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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



P McGrath

Accounting Officer and Executive Principal

Date: 5/12/18

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Statement of directors' responsibilities Year to 31 August 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under company law, the directors 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 Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the Academy Trust 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 the ESFA have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 directors and signed on its behalf by:

 P. O'HEAR

Chair of directors

Date: 5.12.18

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Independent auditor's report Year to 31 August 2018

Independent auditor's report to the members of AIM Academies Trust

Opinion

We have audited the financial statements of AIM Academies Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent auditor's report Year to 31 August 2018

Conclusions relating to going concern (continued)

- ◆ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the directors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or

Independent auditor's report Year to 31 August 2018

Matters on which we are required to report by exception (continued)

- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report Year to 31 August 2018

Use of our report

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



Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2018

Independent reporting accountant's report Year to 31 August 2018

Independent reporting accountant's assurance report on regularity to AIM Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2017 and further to the requirements of the Education and 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 AIM Academies Trust during the period from 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 AIM Academies Trust ('the Academy Trust') and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to AIM 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 AIM Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of AIM Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of AIM Academies Trust's funding agreement with the Secretary of State for Education dated 27 March 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 period from 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.

Independent reporting accountant's report Year to 31 August 2018

Approach (continued)

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.

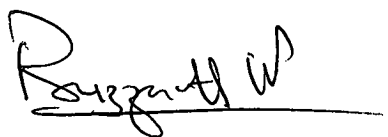
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

17 December 2018

Statement of financial activities Year to 31 August 2018
(Including Income and Expenditure Account)

	Notes	Unrestricted general funds £	Restricted funds		Other £	Total 2018 £	Total 2017 £
			General funds £	Fixed assets funds £			
Income from:							
Donations and capital grants	1	30,728	—	37,846	—	68,574	10,065,428
Charitable activities							
Funding for the Academy Trust's educational operations	2	—	11,283,783	—	375,728	11,659,511	12,559,415
Other trading activities	3	420,883	—	—	23,250	444,133	279,386
Investments	4	2,126	—	—	—	2,126	2,668
Total income		453,737	11,283,783	37,846	398,978	12,174,344	22,906,897
Expenditure on:							
Charitable activities							
Academy Trust's educational operations	5/6	603,730	11,529,318	1,171,213	377,825	13,682,086	14,189,299
Total expenditure		603,730	11,529,318	1,171,213	377,825	13,682,086	14,189,299
Net income (expenditure) before transfers		(149,993)	(245,535)	(1,133,367)	21,153	(1,507,742)	8,717,598
Transfers between funds		—	(177,380)	177,380	—	—	—
Net income (expenditure) for the year		(149,993)	(401,762)	(955,987)	—	(1,507,742)	8,717,598
Other recognised losses							
Actuarial gains (losses) on defined benefit pension scheme	20	—	573,000	—	—	573,000	2,759,000
Net movement in funds		(149,993)	150,085	(955,987)	21,153	(934,742)	11,476,598
Reconciliation of funds							
Total funds brought forward		1,718,061	(1,437,570)	43,315,744	777	43,597,012	32,120,414
Total funds carried forward		1,568,068	(1,287,485)	42,359,757	21,930	42,662,270	43,597,012

All the Academy Trust's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	12		42,359,757		43,315,744
Current assets					
Stock		62,802		64,420	
Debtors	13	559,106		417,363	
Cash at bank and in hand		3,491,439		4,013,761	
		<u>4,113,347</u>		<u>4,495,544</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,388,834)		(1,561,276)	
Net current assets			2,724,513		2,934,268
Net assets excluding pension liability			45,084,270		46,625,012
Pension scheme liability	20	(2,422,000)		(2,653,000)	
Total net assets			<u>42,662,270</u>		<u>43,597,012</u>
Funds of the Academy Trust					
Restricted funds					
Fixed asset funds	16		42,359,757		43,315,744
Restricted income fund	16		1,134,515		1,215,430
Other funds	16		21,930		777
Pension reserve			(2,422,000)		(2,653,000)
Total restricted funds			<u>41,094,202</u>		<u>41,878,951</u>
Unrestricted general funds	16		<u>1,568,068</u>		<u>1,718,061</u>
			<u>42,662,270</u>		<u>43,597,012</u>

The financial statements on pages 28 to 54 were approved by the directors and signed on their behalf by:

Director

 P. O'Hear

Date:

5.12.18

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Statement of cash flows Year to 31 August 2018

		2018 £	2017 £
Net cash inflow from operating activities			
Net cash (used in) provided by operating activities	A	(342,816)	375,294
Cash flows from investing activities	B	(179,506)	(60,103)
Change in cash and cash equivalents in the year		(522,322)	315,191
Cash and cash equivalents at 1 September 2017		4,013,761	3,698,570
Cash and cash equivalents at 31 August 2018		3,491,439	4,013,761

A Reconciliation of income (expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(1,507,742)	8,717,598
Adjusted for:		
Inherited tangible assets	—	(9,949,000)
Depreciation (note 12)	1,171,213	1,160,061
Capital grants from DfE and other capital income	(37,846)	(57,061)
Interest receivable	2,126	2,668
Defined benefit pension scheme cost less contributions payable (note 19)	273,000	197,000
Defined benefit pension scheme finance cost (note 20)	69,000	104,000
Decrease in stock	1,618	—
(Increase) in debtors	(141,743)	(72,585)
(Increase) decrease in creditors	(172,442)	272,613
Net cash (used in) provided by operating activities	(342,816)	375,294

B Cash flows from investing activities

	2018 £	2017 £
Interest received	(2,126)	(2,668)
Purchase of tangible fixed assets	(215,226)	(114,496)
Capital grants from DfE/ESFA	37,846	57,061
Net cash (used in) financing activities	(179,506)	(60,103)

Statement of cash flows Year to 31 August 2018

C Analysis of changes in net funds

	2017 £	Cashflows £	2018 £
	4,013,761	(522,322)	3,491,439

D Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand and at bank	3,491,439	4,013,761
Total cash and cash equivalents	3,491,439	4,013,761

Principal accounting policies 31 August 2018

Statement of accounting policies

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

Basis of preparation

The financial statements of AIM Academies 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.

AIM Academies Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The directors 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 directors 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.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

Principal accounting policies 31 August 2018

Income (continued)

Grants (continued)

The 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.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other trading income

Other trading income, including the hire of facilities, catering, trips and sundry other receipts, are recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

Principal accounting policies 31 August 2018

Tangible fixed assets (continued)

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. 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 such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Leasehold building

The Deansbrook Junior School buildings, acquired under a 125 year lease on a peppercorn rent from the London Borough of Barnet, have been capitalised as leasehold buildings. The carrying value was based on a valuation provided by the London Borough of Barnet at the date the school joined the Academy Trust. Subsequent additions to the property are recognised at cost.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

- ◆ Furniture, fittings and equipment - 25% p.a.
- ◆ Freehold buildings - 2% p.a.
- ◆ Long leasehold buildings - 2% p.a.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

Principal accounting policies 31 August 2018

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 13. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Fund accounting

Unrestricted funds are those monies which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the directors.

Restricted funds comprise grants from ESFA and other bodies to be used for specific purposes.

Principal accounting policies 31 August 2018

Fund accounting (continued)

Restricted fixed assets fund comprises funds received towards capital expenditure by way of grants from the Government and by private donations. Depreciation is charged against these funds over the estimated useful lives of the fixed assets purchased.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

Pensions benefits

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

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 20 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 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.

Principal accounting policies 31 August 2018

Pensions benefits (continued)

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 judgement

Under the funding agreement with the Secretary of State and the Education and Skills Funding Agency, funding was provided based on an estimate of pupil numbers for the 2016/2017 academic year. The Academy achieved pupil numbers expected and no provision for funding that will be clawed back is recognised.

Notes to the financial statements 31 August 2018

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	—	37,846	37,846	57,061
Donated fixed assets	—	—	—	9,949,000
Other donations	30,728	—	30,728	59,367
	30,728	—	68,574	10,065,428

2 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
· General Annual Grant (GAG)	—	10,460,307	10,460,307	10,872,341
· Other DfE / ESFA grants	—	823,476	823,476	1,143,942
	—	11,283,783	11,283,783	12,016,283
Other Government grants				
· Local authority grants	—	375,728	375,728	543,132
	—	11,659,511	11,659,511	12,559,415

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	81,258	—	81,258	70,710
Trip income	38,770	—	38,770	34,227
Catering income	136,376	—	136,376	76,203
Miscellaneous income	164,479	23,250	187,729	98,246
	420,883	23,250	444,133	279,386

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Interest receivable	2,126	—	2,126	2,668
	2,126	—	2,126	2,668

Notes to the financial statements 31 August 2018

5 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
Academy Trust's educational operations					
Direct costs	8,387,316	—	943,255	9,330,571	9,318,804
Support costs	1,414,358	1,972,646	964,511	4,351,515	4,870,495
	9,801,674	1,972,646	1,907,766	13,682,086	14,189,299

6 Charitable activities – Academy Trust's educational operations

	2018 Total funds £	2017 Total funds £
Direct costs	9,330,571	9,318,804
Support costs	4,351,515	4,870,495
	13,682,086	14,189,299

	2018 Total funds £	2017 Total funds £
Analysis of support costs		
Support staff costs	1,414,358	1,244,078
Depreciation	1,171,213	1,160,061
Technology costs	240,481	403,005
Premises costs	801,433	1,112,249
Other support costs	683,244	915,644
Governance costs	40,786	35,458
Total support costs	4,351,515	4,870,495

Notes to the financial statements 31 August 2018

7 Comparative information

	Unrestricted general fund £	Restricted funds			Total 2017 £
		General		Fixed asset £	
		ESFA £	Other £		
Income from:					
Donations and capital grants	59,367	—	—	10,006,061	10,065,428
Charitable activities					
. Funding for the Academy Trust's educational operations	—	12,016,283	543,132	—	12,559,415
Other trading activities	253,756		25,630	—	279,386
Investments	2,668	—	—	—	2,668
Total income	315,791	12,016,283	568,762	10,006,061	22,906,897
Expenditure on:					
Charitable activities					
. Academy Trust's educational operations	1,666	12,446,067	581,505	1,160,061	14,189,299
Total expenditure	1,666	12,446,067	581,505	1,160,061	14,189,299
Net income (expenditure) before transfers	314,125	(429,784)	(12,743)	8,846,000	8,717,598
Transfers between funds	—	9,199	12,072	(21,271)	—
Net income (expenditure) for the year	314,125	(420,585)	(671)	8,824,729	8,717,598
Other recognised losses					
Actuarial gains (losses) on defined benefit pension scheme	—	2,759,000	—	—	2,759,000
Net movement in funds	314,125	2,338,415	(671)	8,824,729	11,476,598
Reconciliation of funds					
Total funds brought forward	1,403,936	(3,775,985)	1,448	34,491,015	32,120,414
Total funds carried forward	1,718,061	(1,437,570)	777	43,315,744	43,597,012

8 Staff

(a) Staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	7,391,212	7,060,698
Social security costs	690,643	655,732
Pension costs	1,175,259	1,287,508
	9,257,114	8,992,162
Supply staff costs	468,659	491,168
Severance payments	75,901	—
	9,801,674	9,483,330

Notes to the financial statements 31 August 2018

8 Staff (continued)

(b) Staff restructuring costs

Included within severance payments are non-contractual compensation payments amounting to £44,407 made to 5 staff (2017 – no payments).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 was as follows:

	2018 Number	2017 Number
Teachers	114	110
Administration and support	112	108
Management	15	19
	241	237

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2018 Number	2017 Number
£60,001 - £70,000	7	6
£70,001 - £80,000	1	2
£80,001 - £90,000	—	1
£110,001 - £120,000	1	1
£140,001 - £150,000	1	—
£150,001 - £160,000	—	1
	10	11

During the year ended 31 August 2018; ten of the above employees participated in the Teachers' Pension Scheme; employer's pension contributions for these staff amounted to £126,940 (2017 – ten employees; £130,177). The other employee participated in the Local Government Pension Scheme; employer's pension contributions for this member amounted to £nil (2017- £20,432).

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,143,931 (2017: £1,384,137).

9 Directors' remuneration, expenses and directors' and officers' insurance

One or more directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The executive principal and other staff directors only received remuneration in respect of services they provide undertaking the roles of executive principal and staff members under their contracts of employment.

	2018 £	2017 £
A Trigg, Executive Principal		
. Remuneration	145k – 150k	150k – 155k
. Employer's pension contributions	20k – 25k	25k – 30k

Other directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors.

One directors have received reimbursement of expenses for travel, subsistence and accommodation totalling £2,263 (2017 – no directors received reimbursed expenses) from the Academy Trust during the year in the course of their duties as directors.

Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Company business. The Academy Trust's insurance provides cover up to £25,000,000 on any one claim and the cost for 2018 was £57,671 (2017 – £3,162).

There were no other related party transactions involving the directors (see also note 22).

10 Net expenditure for the year

The Academy Trust's net expenditure for the year is stated after charging:

	2018 £	2017 £
Depreciation	1,171,213	1,160,061
Auditor's remuneration		
. Statutory audit services	16,880	14,820
. Other ESFA audits	6,820	3,810
Operating lease rentals	51,394	153,982

11 Taxation

The Academy Trust is an exempt charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charitable companies.

Notes to the financial statements 31 August 2018

12 Tangible fixed assets

	Freehold land and buildings £	Long leasehold building £	Furniture, fittings and equipment £	Computer equipment	Motor vehicles	Total £
Cost						
At 1 September 2017	47,130,091	4,111,940	478,945	1,417,437	21,070	53,159,483
Additions	30,483	51,954	25,755	107,034		215,226
At 31 August 2018	<u>47,160,574</u>	<u>4,163,894</u>	<u>504,700</u>	<u>1,524,471</u>	<u>21,070</u>	<u>53,374,709</u>
Depreciation						
At 1 September 2017	7,856,865	350,365	450,537	1,183,778	2,194	9,843,739
Charge for year	943,699	83,278	19,057	120,791	4,388	1,171,213
At 31 August 2018	<u>8,800,564</u>	<u>433,643</u>	<u>469,594</u>	<u>1,304,569</u>	<u>6,582</u>	<u>11,014,952</u>
Net book values						
At 31 August 2018	38,360,010	3,730,251	35,106	219,902	14,488	42,359,757
At 31 August 2017	<u>39,273,226</u>	<u>3,761,575</u>	<u>28,408</u>	<u>233,659</u>	<u>18,876</u>	<u>43,315,744</u>

London Academy - Freehold land

Title to the site at Spur Road, Edgware, Middlesex is registered in the name of the Academy Trust, but has not been included in these financial statements because the site is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

London Academy – Donated assets

A new primary school at London Academy was built by the London Borough of Barnet on freehold land owned by the London Academy. On completion, the building was transferred to the Academy Trust for no consideration. The value of the gift to the Academy Trust is the construction and fit-out cost of the building.

Long leasehold building

The leasehold building refers to the building situated at Hale Drive, Mill Hill, London occupied by Deansbrook Junior School. The building is held under a 125-year lease from the London Borough of Barnet.

No value has been included in these financial statements of the leasehold land occupied by the Academy as the land is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

Notes to the financial statements 31 August 2018

13 Debtors

	2018 £	2017 £
Trade debtors	15,219	133,140
VAT reclaimable	210,736	227,549
Prepayments and accrued income	333,151	56,674
	559,106	417,363

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	654,583	318,796
Social security and other taxes	269,556	157,479
Other creditors	—	114,018
Accruals and deferred income	464,695	970,983
	1,388,834	1,561,276

Deferred income

Deferred income at 1 September 2015	78,967	335,981
Resources deferred in the year	206,605	78,967
Amounts released from previous years	(78,967)	(355,981)
Deferred income at 31 August 2016	206,605	78,967

Deferred income includes £52,295 (2017 - £42,181) in respect of Rates Relief Funding received from the ESFA.

The Academy Trust was also holding funds received in advance for John Lyons grant and AIM alliance.

15 Central services

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

- ♦ Educational Support Services
- ♦ Financial Support services
- ♦ Project Management Services
- ♦ Governance support Services
- ♦ Other

The Academy Trust charges for these services on the following basis:

- ♦ A flat fixed fee

Notes to the financial statements 31 August 2018

15 Central services (continued)

The actual amounts charged during the year were as follows:

	2018 £	2017 £
London Academy	70,000	70,000
Deansbrook Junior School	35,000	35,000
	105,000	105,000

16 Funds

	At 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,112,735	10,460,307	(10,262,592)	(177,380)	1,133,070
Pupil Premium	—	743,877	(743,877)	—	—
Other DfE/ESFA grants	102,695	79,599	(180,849)	—	1,445
Pension reserve	(2,653,000)	—	(342,000)	573,000	(2,422,000)
	<u>(1,437,570)</u>	<u>11,283,783</u>	<u>(11,529,318)</u>	<u>395,620</u>	<u>(1,287,485)</u>
Restricted fixed asset funds					
Transfer from Local Authority	9,761,000	—	(198,980)	—	9,562,020
DfE/ESFA capital grants	33,554,744	37,846	(972,233)	177,380	32,797,737
	<u>43,315,744</u>	<u>37,846</u>	<u>(1,171,213)</u>	<u>177,380</u>	<u>42,359,757</u>
Other restricted funds					
Local authority grants	—	375,728	(375,728)	—	—
Other restricted funds	777	23,250	(2,097)	—	21,930
	<u>777</u>	<u>398,978</u>	<u>(377,825)</u>	<u>—</u>	<u>21,930</u>
Total restricted funds	<u>41,878,951</u>	<u>11,720,607</u>	<u>(13,078,356)</u>	<u>573,000</u>	<u>41,094,202</u>
Unrestricted funds					
General funds	1,718,061	453,737	(603,730)	—	1,568,068
Total unrestricted funds	<u>1,718,061</u>	<u>453,737</u>	<u>(603,730)</u>	<u>—</u>	<u>1,568,068</u>
	<u>43,597,012</u>	<u>12,174,344</u>	<u>(13,682,086)</u>	<u>573,000</u>	<u>42,662,270</u>

Notes to the financial statements 31 August 2018

16 Funds (continued)

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

Revenue funds:

♦ ESFA grants funds

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State signed on 27 March 2013 the Academy Trust was not subject to a limit in the amount of GAG that it could carry forward at 31 August 2018.

♦ Other funds

Other grants include funding received from the London Borough of Barnet for specific purposes.

Fixed assets funds:

The fixed assets fund includes grants received from the ESFA and other sources to finance the development and building of the Academy Trust and the other tangible fixed assets.

Analysis of fund balances by Academy

	2018 £	2017 £
London Academy	2,222,965	2,388,446
Deansbrook Junior School	393,521	455,927
Central services	105,027	89,895
Total before fixed assets and pension reserves	2,724,513	2,934,268
Restricted fixed asset fund	42,359,757	43,315,744
Pension reserve	(2,422,000)	(2,653,000)
	42,662,270	43,597,012

Analysis of cost by Academies (excluding depreciation)

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £
London Academy	6,389,627	1,505,321	411,079	1,903,804	10,209,831
Deansbrook Junior School	1,459,029	354,292	89,695	333,903	2,236,919
Central services	70,000	23,403	25,203	50,514	169,120
	7,918,656	1,883,016	525,977	2,288,221	12,615,870

Notes to the financial statements 31 August 2018

16 Funds (continued)

Comparative information

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

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	1,218,954	10,872,341	(10,987,759)	9,199	1,112,735
Pupil Premium	—	827,165	(827,165)	—	—
Other DfE/ESFA grants	116,061	316,777	(330,143)	—	102,695
Pension reserve	(5,111,000)	—	(301,000)	2,759,000	(2,653,000)
	<u>(3,775,985)</u>	<u>12,016,283</u>	<u>(12,446,067)</u>	<u>2,768,199</u>	<u>(1,437,570)</u>
Restricted fixed asset funds					
Transfer from Local Authority	—	9,949,000	(188,000)	—	9,761,000
DfE/ESFA capital grants	34,491,015	57,061	(972,061)	(21,271)	33,554,744
	<u>34,491,015</u>	<u>10,006,061</u>	<u>(1,160,061)</u>	<u>(21,271)</u>	<u>43,315,744</u>
Other restricted funds					
Local authority grants	—	543,132	(543,132)	—	—
Other restricted funds	1,448	25,630	(38,373)	12,072	777
	<u>1,448</u>	<u>568,762</u>	<u>(581,505)</u>	<u>12,072</u>	<u>777</u>
Total restricted funds	<u>30,716,478</u>	<u>22,591,106</u>	<u>(14,187,633)</u>	<u>2,759,000</u>	<u>41,878,951</u>
Unrestricted funds					
General funds	1,403,936	315,791	(1,666)	—	1,718,061
Total unrestricted funds	<u>1,403,936</u>	<u>315,791</u>	<u>(1,666)</u>	<u>—</u>	<u>1,718,061</u>
	<u>32,120,414</u>	<u>22,906,897</u>	<u>(14,189,299)</u>	<u>2,759,000</u>	<u>43,597,012</u>

Notes to the financial statements 31 August 2018

16 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,218,954	21,332,648	(21,250,351)	(168,181)	1,133,070
Pupil Premium	—	1,571,042	(1,571,042)	—	—
Other DfE/ESFA grants	116,061	396,376	(510,992)	—	1,445
Pension reserve	(5,111,000)	—	(643,000)	3,332,000	(2,422,000)
	<u>(3,775,985)</u>	<u>23,300,066</u>	<u>(23,975,385)</u>	<u>3,163,819</u>	<u>(1,287,485)</u>
Restricted fixed asset funds					
Transfer from Local Authority	—	9,949,000	(386,980)	—	9,562,020
DfE/ESFA capital grants	34,491,015	94,907	(1,944,294)	156,109	32,797,736
	<u>34,491,015</u>	<u>10,043,907</u>	<u>(2,331,274)</u>	<u>156,109</u>	<u>42,359,756</u>
Other restricted funds					
Local authority grants	—	918,860	(918,860)	—	—
Other restricted funds	1,448	48,880	(40,470)	12,072	21,930
	<u>1,448</u>	<u>967,740</u>	<u>(959,330)</u>	<u>12,072</u>	<u>21,930</u>
Total restricted funds	<u>30,716,478</u>	<u>34,311,713</u>	<u>(27,265,989)</u>	<u>3,332,000</u>	<u>41,094,202</u>
Unrestricted funds					
General funds	1,403,936	769,528	(605,396)	—	1,568,068
Total unrestricted funds	<u>1,403,936</u>	<u>769,528</u>	<u>(605,396)</u>	<u>—</u>	<u>1,568,068</u>
	<u>32,120,414</u>	<u>35,081,241</u>	<u>(27,871,385)</u>	<u>3,332,000</u>	<u>42,662,270</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2018 Total £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	—	—	42,359,757	42,359,757
Current assets	1,568,068	2,545,279	—	4,113,347
Current liabilities	—	(1,388,834)	—	(1,388,834)
Pension scheme liability	—	(2,422,000)	—	(2,422,000)
Total net assets	<u>1,568,068</u>	<u>(1,265,555)</u>	<u>42,359,757</u>	<u>42,662,270</u>

Notes to the financial statements 31 August 2018

18 Lease commitments

Operating leases

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

	2018 £	2017 £
Amounts due within one year	73,891	70,763
Amounts due between two and five years inclusive	—	60,723
	73,891	131,486

19 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	—	—

20 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by [name]. Both are multi-employer defined benefit schemes.

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

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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

Introduction (continued)

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%.

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £649,934 (2017: £786,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £442,000 (2017: £373,000) of which employer's contributions totalled £336,000 (2017: £305,000) and employees' contributions totalled £86,000 (2017: £68,000). The agreed contribution rates for future years is between 5.5% and 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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.7%	2.4%
Rate of increase for pensions in payment / inflation	2.4%	2.7%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.4%	2.7%

Notes to the financial statements 31 August 2018

20 Pension and similar obligations (continued)

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

	At 31 August 2018 £'000	At 31 August 2017 £'000
Sensitivity analysis		
Discount rate -0.1%	122	114
Mortality assumption – 1 year increase	303	133
CPI rate +0.1%	105	42

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	3,118	3,479
Corporate bonds	1,613	1,421
Cash and other liquid assets	645	—
Total market value of assets	5,376	4,900
Present value of scheme liabilities		
Funded	(7,798)	(7,553)
Deficit in the scheme	(2,422)	(2,653)

Notes to the financial statements 31 August 2018

20 Pension and similar obligations (continued)

Amounts recognised in statement of financial activities	2018 £'000	2017 £'000
Current service cost	273	197
Interest income	(127)	(82)
Interest cost	196	186
Total amount recognised in the SOFA	342	301
Analysis of pension finance costs		
Expected return on pension scheme assets	127	82
Interest on pension liabilities	(196)	(186)
Pension finance income/(costs)	(69)	(104)

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September 2017	(7,553)	(9,075)
Current service cost	(609)	(502)
Interest cost	(196)	(186)
Employee contributions	(86)	(68)
Actuarial (gain)/loss	515	2,168
Benefits paid	131	110
At 31 August 2018	(7,798)	(7,553)

Changes in the fair value of the Academy Trust's share of scheme assets:	2018 £	2017 £
At 1 September 2017	4,900	3,964
Actuarial (loss) gain	58	591
Expected return on Scheme assets	127	82
Employer contributions	336	305
Employee contributions	86	68
Benefits paid	(131)	(110)
At 31 August 2018	5,376	4,900

21 Liability of members

The Academy Trust is a company limited by guarantee, without share capital. Every member of the 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 an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

22 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy Trust shall if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) The value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust; and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

24 Agency arrangements

The Academy Trust acts as paying agent for the ESFA for the dispensing of 16-19 Bursaries onto students. In the year ended 31 August 2018 the Academy Trust received £59,749 and disbursed £160,999 from the fund. An amount of £1,445, including £nil brought forward from previous years remains undistributed at 31 August 2018.