

REGISTERED COMPANY NUMBER: 07650619 (England and Wales)

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2015
FOR
ACTIVE EDUCATION ACADEMY TRUST**

FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

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ACTIVE EDUCATION ACADEMY TRUST
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for the Year Ended 31 AUGUST 2015

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ACTIVE EDUCATION ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

MEMBERS

GOVERNORS

Mrs J Law
Mr J D Williets
Ms H G Barnett
Ms T E Chivers
Mrs F E Bloxham
Mr S D Kendall
Mrs R Mahmood
Mr K Miah
Mr J Wrigglesworth (resigned 12.2.15)
Ms S Reay (Head Teacher) (appointed 13.4.15)

REGISTERED OFFICE

Wigmore Hall
Wigmore Valley Park
Eaton Green Road
Luton
Bedfordshire
LU2 9JB

REGISTERED COMPANY NUMBER 07650619 (England and Wales)

AUDITORS

FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

BANKERS

The Co-operative Bank
2-6 Alma Street
Luton
Beds
LU1 2PL

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2015

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2015. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

The trustees present their annual report together with the financial structure and auditors reports of the charitable company for the period 1st September 2014 to 31st August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Active Education Academy Trust operates River Bank Primary School a free school in the Biscot ward of Luton. During the academic year 2014/2015 the school only admitted pupils into year R and Year 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Active Education Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as Active Education Academy Trust. The free school operated by Active Education Academy Trust is known as River Bank Primary School.

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

Members' liability

Each member of the academy undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of new Governors

As set out in the Articles of Association the Members are responsible for the recruitment and appointment of Governors, the Members may appoint up to 8 Governors; Staff Governors including the Principal must not exceed one third of the total number of Governors; a Parent Governor must be a parent of a pupil at the Academy at the time of election.

The Members will give consideration to the skills and experience mix of Governors in order to ensure the Governors have the necessary skills to contribute fully to the Academy's development.

Induction and training of new trustees

Trustees have agreed that on appointment all new trustees will undertake an induction which includes meetings with the Head teacher, Chair of Governors and a member. Newly appointed trustees will receive a copy of Charity Commission's 'The Essential Trustee' and the memorandum and articles of association for the Academy Trust. They are also referred to the Academies Financial Handbook and the Active Education Academy Trust Funding Agreement.

The Academy trust has a service level agreement with the local authority for the provision of on-going governor training.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Active Education Academy Trust is governed by a board of governors (the Governing Body) constituted under a memorandum of association and articles of association. The Governing Body is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:-

- Policy development & strategic development
- Ensuring sound management and administration of the Academy
- Ensuring compliance with legal requirements
- Establishing and maintaining effective internal controls
- The management of all resources
- The monitoring of performance
- Helping the Academy to be responsive to the needs of parents, carers and the community
- Assessing and managing risk

Governors are responsible for setting general policy, adapting an annual plan and budget, monitoring the Academy by the use of Budgets and strategic development plan and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The governors meet a minimum of once per term and have also established two sub-committees, meeting a minimum of once per term. Governors have established an overall framework for the governance of the academy which determines membership, terms of reference and procedures for the full governing body and the associated subcommittee. During the academic year, sub-committees were established for Curriculum and Standards, and Resources, Finance and Audit.

The full governing body receives reports, including policies, from its committees for ratification. The activity of the sub-committee is monitored through minutes of meetings. The governors have further agreed that they may, from time to time, establish working groups to perform specific tasks over a set time scale.

Connected Organisations including related parties

Active Luton Limited is a related party entity and a founder member of the academy. Active Luton Limited provided services relating to project management, financial, professional and educational services to support the capital project and operational management of the Academy Trust and River Bank Primary School.

Service Level Agreements were established to clearly identify the role of Active Luton Limited in the provision of the above services which have been provided on a cost only basis.

Service Level Agreements were also established with Luton Borough Council for the provision of support related to School Improvement; Governor Support & Training; Appeals & Admissions; HR Support & Payroll; Occupational Health.

Risk management

The governors have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Academy follows an appropriate risk management process which identifies the types of risk the Academy faces. A risk register has been produced by the Governing Body and, is reviewed and updated regularly.

OBJECTIVES AND ACTIVITIES

Objectives, aims and a summary of the year

The 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 a school offering a broad and balanced curriculum.

During the financial year the Academy provided free education to pupils of reception age. The Academy Trust also managed a capital project for the development of a new school building.

Public benefit

The governors confirm that they have given due consideration to the Charity Commission guidance on the operation of the Public Benefit requirement.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2015

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The percentage of children achieving a good level of development was 51.3% compared to a Local Authority average of 60.8% and a national figure of 66%. Girls outperformed boys in every area of learning and this mirrors the national picture. The gender gap at River Bank is narrowing in Literacy (reading and writing) and mathematics (numbers and shape, space and measures) when comparing results to the previous year.

The percentage of girls achieving a good level of development is 53.8% compared to 69% nationally (2014). The percentage of boys achieving a good level of development was 43.6% compared to 52% nationally (2014).

In terms of the percentage of all children achieving the expected level and above, the gap between River Bank and National outcomes is greatest in Literacy (-13%) and mathematics (-18%).

The percentage of pupils exceeding expectations was broadly in line with the national comparative data for reading.

Children eligible for Free School Meals (FSM) achieved broadly in line with Non FSM pupils. It should be noted that this was only a group of 8 children so we need to be careful about drawing conclusions.

Phonics Screening Check Year 1

The percentage of children achieving a pass score of 32 was 50% or above compared to a Local Authority average of 74% and a national figure of 77%. 65% of girls achieved the pass mark compared to 38% of boys.

Changes to the curriculum and the introduction of new educational programmes have now been implemented across the school to improve progress and outcomes for all groups of learners.

Going concern

After making appropriate enquires the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Reserves policy

The Governing Body has developed and adopted a framework in line with the EFA academies financial handbook. The principle source of funding for the year has been the grants received from the Education Funding Agency (EFA) (operating and capital) and capital funds from Luton Borough Council (LBC). These are shown as restricted funds in the Statement of Financial Activities. The Governing Body review the reserve policy on a regular basis to ensure that reserves are maintained at a level that is consistent with the Academy Trust having sufficient funds to operate at its planned activity levels taking into account the various financial risk factors that have been identified.

The Unrestricted Fund Reserves are there to build up for future investments. The Restricted Fund Reserve are there to cover potential shortfalls in future years as the school is in a growing phase. The Restricted Fixed Asset Fund Reserves are there to cover the future depreciation of the building and other Fixed Assets as the funds were provided for the purpose of building and fitting out the new school building.

Investment policy and objectives

The Academy trust has the power to make investment decisions as it holds cash balances -surplus funds are held in an instant access deposit account.

Financial Review

During the year ended 31st August 2015 total operating expenditure excluding depreciation of £779,153 was fully covered by grant funding from the EFA and other incoming resources. The capital grant from the EFA & LBC has been used to fund the new school building which has been capitalised. The new building was completed in time for the Academic year 2014-2015. The new building opened to pupils from the start of the 2014 - 2015 Academic Year. The expenditure growth from the previous year is due to the moving from just having Reception year pupils to now having Reception & Year 1. The school is in a growing phase - each year taking on an additional year group. Principal expenditure was on staffing costs, education supplies & premises related expenditure. There is a small Reserve to be carried forward to cover any shortfalls in future years as the post opening grant reduces, it is also there to cover unexpected expenditure or shortfalls in income.

ACTIVE EDUCATION ACADEMY TRUST

REPORT OF THE GOVERNORS for the Year Ended 31 AUGUST 2015

PLANS FOR FUTURE PERIODS

During the course of this academic year, the governing body has developed a comprehensive risk register and agreed a process for review. Systems and procedures have been developed by the Academy Trust to manage the identified risks. As a developing school the key risk identified and focussed on have been;

- Delivering an outstanding education to our pupils as the school grows
- Recruiting outstanding teachers to support the growth of the school
- Recruitment of pupils in line with financial plans
- Completion of the capital project, on time and on budget.

PRINCIPAL RISKS AND UNCERTAINTIES

The future plan for the academy trust is to continue to expand annually until the academy includes all years from Year Reception to Year 6. During the Academic Year 2014-2015 the school had pupils in Year Reception and Year 1.

The Academy Trust has been working to achieve the desired aim of establishing a comprehensive programme of community use. Currently there is community use on 6 days per week with usage by local community groups such as the Scouts and also a number of fitness related activities for targeted groups.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of governors on 19th November 2015 and signed on its behalf by:



Mr J D Williets - Governor

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

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

The board of the governors has delegated the day-to-day responsibility to the Principal finance officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Active Education Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Governors Responsibility Statement. The board of governors has formally met 9 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Law	5	5
Mr J D Williets	9	5
Ms H G Barnett	8	6
Ms T E Chivers	9	6
Mrs F E Bloxham	5	4
Mr S D Kendall	4	2
Mrs R Mahmood	9	4
Mr K Miah	7	3
Mr J Wrigglesworth (resigned 12.2.15)	4	6
Ms S Reay (Head Teacher) (appointed 13.4.15)	2	-

During the year sub-committees were established for Curriculum and Standards, and Resources, Finance & Audit had attendance was as follows:

Curriculum & Standards

Governors	Meetings attended	Out of a possible
Mr J D Williets	3	4
Ms T E Chivers	4	4
Mrs F E Bloxham	1	4
Mr S D Kendall	4	4
Mr K Miah	3	4
Mr J Wrigglesworth (resigned 12.2.15)	1	1
Ms S Reay (Head Teacher) (appointed 13.4.15)	2	2

Resources, Finance & Audit

Governors	Meetings attended	Out of a possible
Mrs J Law	4	4
Mr J D Williets	4	4
Ms T E Chivers	4	4
Ms H G Barnett	4	4
Mrs R Mahmood	4	4
Mrs A Jenkinson (Principal Finance Officer)	4	4
Mr J Wrigglesworth (resigned 12.2.15)	1	1
Mrs S Reay (appointed 13.5.15)	2	2

Following the resignation of the Head Teacher Mr J Wrigglesworth during the year the chair of the Resources, Finance & Audit subcommittee was appointed as an Interim Accounting Officer.

Review of Value for Money

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

As Accounting Officer the Chair of the Resources, Finance & Audit subcommittee 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 has considered how the academy trust's use of its resources has provided good value for money during the academic year.

Active Education Academy Trust operates River Bank Primary School. The school opened in September 2013 and the school was established to meet a need for school places in Luton. It operates as a free school in the Biscot Ward area which is in the centre of Luton. In its first year of operation, the school admitted pupils into Reception with two classes of up to 60 pupils on roll. In September 2014, the school building was completed and therefore more places were available in Reception. It meant that an intake of up to 90 pupils was possible. Initially the school experienced a high level of mobility and throughout the year it became more settled. This year, numbers on roll have become more settled and we will have up to 270 pupils for September 2015. The school will continue to admit children into Reception until the school reaches capacity in 2019

Deployment of Staff

All staff employed at River Bank School (both teaching and support) are fully qualified. All classes are led by a qualified teacher and supported by an experienced teaching assistant (TA). Many of our TAs are also cover supervisors and in addition we have an Early Years Lead TA and Higher Level TA. The school also employs specialist teachers for music and PE. The quality of the staff recruited is viewed as a key factor in the success of the school. The staffing structure is reviewed twice a year and recruitment is planned well in advance of need to ensure every opportunity of attracting the highest calibre of staff

Individual Pupils

Staffing ratios allow for support and intervention to be provided for children who are identified as having additional needs. The family worker, attendance and welfare officer roles ensure that links between home and school are maintained for all children and particularly the most vulnerable. Where the need has arisen the school has employed additional staff to support identified groups such as newly arrived Polish pupils. The school is developing positive relationships with external agencies that provide expert advice that does not exist within the school staff team. This is strengthened further through the support provided by the Local Authority SEND Team, Educational Psychologist Team and Educational Welfare Team as part of service level agreement provision.

Collaboration with Educational Providers

We have a strong working relationship with Active Luton who provides a range of support from teaching and learning, financial and premises services. The school has developed partnerships with other local schools through the Central Area Neighbourhood Improvement Partnership. Through this partnership the school has been able to engage in training events and share practice. In addition, we have developed a strong, robust relationship with Chiltern Learning Alliance in terms of providing support for our NQTs and improving the chances of recruiting quality teachers. The school has a positive relationship with the Local Authority and accesses a range of professional support and training where relevant. The University of Bedfordshire is represented on the governing body. Through our transition arrangements we are developing relationships with local pre-school providers and children centres. Provision is provided with adult education services and Active Luton to facilitate the delivery of learning and development and health programmes on site.

New Initiatives

Comprehensive budgets have been developed and refined since the school opened and the results have shown that the school used its resources efficiently.

The community use of the school's facilities is well advanced. This includes a new scout group, all women exercise classes four times per week and Saturday mornings activities which involve all the family in a range of sports activities and clubs.

Quantifying Improvements

Recent improvements in pupil progress, a low rate of behaviour incidents and attendance demonstrate the strength in the school and Financial Performance within Budget shows that the school is operating at good value for money.

Financial Governance & Oversight

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

The Governing Body has met regularly through the year as part of a full GB and as separate sub-committees for Curriculum & Standards and also Resources, Finance & Audit. All meetings have been minuted. The Resources sub-committee has reviewed the management accounts regularly and approved the budget for the next Academic year. The Governing Body has approved the Finance Manual and contracts and services have been agreed within the guidelines.

An independent internal auditor conducted two reviews of the internal control framework during the year and both provided an 'Adequate Assurance'.

Better Purchasing

The School Finance Manual has clear procedures for procuring goods and services. Where possible the school has used the purchasing power of its sponsor Active Luton in order to obtain the best value for money. All the tendering for the building project was carried out with the EFA to ensure the best value for money was obtained. The awarding of the catering contract followed the correct tendering process. All purchases/services are scrutinised by the Head Teacher to ensure purchases are necessary and are of good value.

Reviewing Controls and Managing Risks

A risk register has been created which assess the risks facing the School and cover a wide range of areas including finance, people, strategy, management, technology, health & safety and governance. This register is reviewed by the Governing Body. The Head Teacher and Principal Finance Officer have regular meetings to discuss the monthly management accounts and any EFA reporting requirements. Cash Flow is tracked monthly.

Lessons Learned

- Evaluating the impact of the SLAs with the LA to ensure that it is tightly targeting the needs of the school by impacting on progress and outcomes for pupils.
- Independent external clerk ensures governance is strictly adhered to
- Independent internal audit review confirms resilience of internal control infrastructure
- Access to EFA and NASBM bulletins ensures knowledge is up to date and sources of information to support the School are available.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Active Education Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Active Education Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls they have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

ACTIVE EDUCATION ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

The Risk and Control Framework

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Resources, Finance & Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

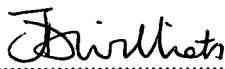
The board of trustees has appointed an independent external person as internal auditor with effect from July 2014.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal auditor reported to the board of trustees, through the Resources, Finance and Audit committee on the operation of the system of control and on the discharge of the board of trustees' financial responsibilities. There were 2 audits during the year both of which gave 'Adequate Assurance'.

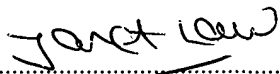
Review of Effectiveness

During the year the Head Teacher resigned and a new Head Teacher was appointed. To ensure continuous oversight the Chair of the Resources, Finance & Audit subcommittee was appointed as Interim Accounting officer to work with the new Head Teacher and Principal Finance Officer. The new Head Teacher has been appointed as Accounting Officer effective 1st September 2015.

Approved by order of the members of the board of trustees on 19th November 2015 and signed on its behalf by:



Mr J D Williets - Governor



Mrs J Law - Governor

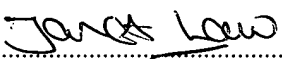
ACTIVE EDUCATION ACADEMY TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 AUGUST 2015**

As accounting officer of Active Education Academy Trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of governors 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 governors and EFA.


.....
Mrs J Law - Accounting Officer

Date: 9 Dec 2015

ACTIVE EDUCATION ACADEMY TRUST
GOVERNORS RESPONSIBILITY STATEMENT
for the Year Ended 31 AUGUST 2015

The governors (who act as trustees of Active Education Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The governors 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 to 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 governors 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 EFA/DfE have been applied for the purposes intended.

Approved by order of the board of governors on 19th November 2015 and signed on it's behalf by:


.....
Mr J D Williets - Governor

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE EDUCATION ACADEMY TRUST

We have audited the financial statements of Active Education Academy Trust for the year ended 31 August 2015 on pages fifteen to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors Responsibility Statement set out on page eleven, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE EDUCATION ACADEMY TRUST**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.



Stephen Mason BSc ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date: 15.12.2011

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
ACTIVE EDUCATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Active Education Academy Trust during the period 1 September 2014 to 31 August 2015 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 Active Education Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Active Education Academy Trust and the EFA 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 Active Education Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Active Education Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Active Education Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

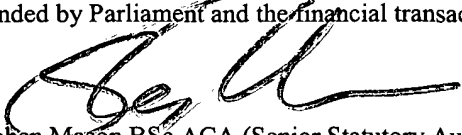
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Stephen Mason BSc ACA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

Date: 15.12.2015

ACTIVE EDUCATION ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 AUGUST 2015**

				2015	2014	
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Activities for generating funds	2	10,724	1	1	10,726	12,038
Investment income	3	632	-	-	632	-
Incoming resources from charitable activities						
Academy's educational operations	4	-	813,026	64,585	877,611	8,207,610
Other incoming resources		8,688	7,951	-	16,639	4,464
Total incoming resources		20,044	820,978	64,586	905,608	8,224,112
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	6	6,101	-	-	6,101	4,455
Charitable activities						
Academy's educational operations	7	-	738,765	-	738,765	389,785
Governance costs	8	-	40,388	-	40,388	36,054
Other resources expended		-	-	187,700	187,700	-
Total resources expended	5	6,101	779,153	187,700	972,954	430,294
NET INCOMING/(OUTGOING) RESOURCES						
		13,943	41,825	(123,114)	(67,346)	7,793,818
Other recognised gains/losses						
Gains/losses on investment assets		-	(10,000)	-	(10,000)	(6,000)
Net movement in funds		13,943	31,825	(123,114)	(77,346)	7,787,818
RECONCILIATION OF FUNDS						
Total funds brought forward		12,047	59,315	7,746,814	7,818,176	30,358
TOTAL FUNDS CARRIED FORWARD		25,990	91,140	7,623,700	7,740,830	7,818,176

The notes form part of these financial statements

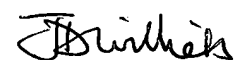
ACTIVE EDUCATION ACADEMY TRUST

BALANCE SHEET AT 31 AUGUST 2015

				2015	2014	
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	11	-	-	7,639,225	7,639,225	7,500,527
CURRENT ASSETS						
Debtors	12	-	20,099	13,945	34,044	357,203
Cash at bank and in hand		25,990	366,152	45,055	437,197	822,317
		<u>25,990</u>	<u>386,251</u>	<u>59,000</u>	<u>471,241</u>	<u>1,179,520</u>
CREDITORS						
Amounts falling due within one year	13	-	(295,111)	(74,525)	(369,636)	(861,871)
		<u>25,990</u>	<u>91,140</u>	<u>(15,525)</u>	<u>101,605</u>	<u>317,649</u>
NET CURRENT ASSETS						
		<u>25,990</u>	<u>91,140</u>	<u>(15,525)</u>	<u>101,605</u>	<u>317,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		25,990	91,140	7,623,700	7,740,830	7,818,176
		<u>25,990</u>	<u>91,140</u>	<u>7,623,700</u>	<u>7,740,830</u>	<u>7,818,176</u>
NET ASSETS						
		<u>25,990</u>	<u>91,140</u>	<u>7,623,700</u>	<u>7,740,830</u>	<u>7,818,176</u>
FUNDS						
Unrestricted funds:	14					
General fund					25,990	12,047
Restricted funds:						
Restricted general fund					107,140	65,315
Restricted fixed asset fund					7,623,700	7,746,814
Pension reserve					(16,000)	(6,000)
					<u>7,714,840</u>	<u>7,806,129</u>
TOTAL FUNDS						
					<u>7,740,830</u>	<u>7,818,176</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Governors on 19th November 2015 and were signed on its behalf by:


Mr J D Williets -Governor

The notes form part of these financial statements

ACTIVE EDUCATION ACADEMY TRUST

Notes to the Financial Statements for the Year Ended 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005') and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently are set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Going concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants receivable

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

- Other income

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

Resources expended

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

- Charitable activities

These are costs incurred on the academy trust's educational operations.

- Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources are inclusive of irrecoverable VAT.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the Balance Sheet at cost and depreciated over their expected 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 to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life on a straight line basis.

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 20% on cost

Taxation

The Academy 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 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

Fund accounting

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

Restricted project development funds are resources which are to be applied for specific start up costs imposed by the Department for Education

Restricted capital ICT fund are resources which are to be applied for specific capital ICT purposes imposed by the Department for Education

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. ACTIVITIES FOR GENERATING FUNDS

	2015	2014
	£	£
Trips & events	6,111	1,485
Hire of facilities	2,692	129
Catering income	1,923	10,424
	<u>10,726</u>	<u>12,038</u>

3. INVESTMENT INCOME

	2015	2014
	£	£
Deposit account interest	<u>632</u>	<u>-</u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2015

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	719,488	719,488	451,337
EFA other (non-GAG)	-	93,538	93,538	9,459
	-	813,026	813,026	460,796
DfE/EFA capital grant				
Capital Grants	-	64,585	64,585	7,746,814
	-	877,611	877,611	8,207,610

5. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2015 Total £	2014 Total £
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	-	-	6,101	6,101	4,455
Charitable activities					
Academies educational operations					
Direct costs	383,107	1,132	69,990	454,229	128,919
Allocated support costs	104,730	68,807	98,383	271,920	260,866
	487,837	69,939	174,474	732,250	394,240
Governance costs including allocated support costs	-	-	40,388	40,388	36,054
	487,837	69,939	214,862	772,638	430,294

Net resources are stated after charging/(crediting):

	2015 £	2014 £
Auditors' remuneration	5,000	5,000
Depreciation - owned assets	187,700	-

6. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2015 £	2014 £
Purchases	6,101	4,455

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Teaching and educational support staff	-	383,107	383,107	102,247
Educational supplies	-	51,253	51,253	19,316
Staff development	-	3,140	3,140	1,093
Educational consultancy	-	7,029	7,029	2,790
Admissions and appeals	-	1,132	1,132	-
Other direct costs	-	21,184	21,184	3,473
	-	466,845	466,845	128,919
Allocated support costs				
Support staff costs	-	104,730	104,730	91,712
Technology costs	-	13,146	13,146	906
Recruitment and support	-	4,319	4,319	327
Maintenance of premises and equipment	-	18,467	18,467	40,021
Cleaning	-	8,186	8,186	11,306
Rent, rates and utilities	-	38,404	38,404	9,326
Insurance	-	3,750	3,750	6,460
Interest payable and similar charges	-	157	157	184
Other support costs	-	80,761	80,761	100,624
	-	271,920	271,920	260,866
	-	738,765	738,765	389,785

8. GOVERNANCE COSTS

	2015 £	2014 £
Auditors' remuneration	5,000	5,000
Auditors' remuneration for non-audit work	3,000	1,000
Legal, professional & educational consultancy	18,424	12,954
Governance support costs	13,964	17,100
	40,388	36,054

9. GOVERNORS' REMUNERATION AND BENEFITS

Staff governors only receive remuneration in respect of services they provide undertaking the role of staff and not in respect of services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration was as follows;

F Bloxham - Staff Governor £25,000 - £30,000

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2015 nor for the year ended 31 August 2014.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2015

10. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	420,813	160,598
Social security costs	20,917	9,015
Other pension costs	46,107	24,346
	<u>487,837</u>	<u>193,959</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015	2014
Teachers	5	3
Administration & support	9	6
Management	2	-
	<u>16</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

Officers Insurance

In accordance with normal commercial practice the academy has taken advantage of the Risk Protection Arrangement offered by the Department for Education for claims arising from negligent acts, errors or omission occurring whilst on academy business. The insurance cost for the year ended 31 August 2015 was £3,750 (2014: £6,460). The cost is included within the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 September 2014	7,417,192	70,401	12,934	7,500,527
Additions	185,317	81,869	59,212	326,398
	<u>7,602,509</u>	<u>152,270</u>	<u>72,146</u>	<u>7,826,925</u>
DEPRECIATION				
Charge for year	151,124	29,590	6,986	187,700
	<u>151,124</u>	<u>29,590</u>	<u>6,986</u>	<u>187,700</u>
NET BOOK VALUE				
At 31 August 2015	<u>7,451,385</u>	<u>122,680</u>	<u>65,160</u>	<u>7,639,225</u>
At 31 August 2014	<u>7,417,192</u>	<u>70,401</u>	<u>12,934</u>	<u>7,500,527</u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2015

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	5,649	309
VAT	28,395	356,684
Prepayments and accrued income	-	210
	<u>34,044</u>	<u>357,203</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts	-	8,361
Trade creditors	92,899	755,173
Social security and other taxes	22,699	7,242
Accrued expenses	210,318	57,586
Deferred government grants	43,720	33,509
	<u>369,636</u>	<u>861,871</u>

DEFERRED INCOME

	Grant Income £
Deferred Income brought forward at 1 September 2014	33,509
Incoming resources deferred in the current year	43,720
Amounts released from previous years	(33,509)
	<u>43,720</u>

Grant income is deferred as the charity is not entitled to the income until certain conditions are met.

14. MOVEMENT IN FUNDS

	At 1.9.14 £	Net movement in funds £	At 31.8.15 £
Unrestricted funds			
General fund	12,047	13,943	25,990
Restricted funds			
Restricted general fund	65,315	41,825	107,140
Restricted fixed asset fund	7,746,814	(123,114)	7,623,700
Pension reserve	(6,000)	(10,000)	(16,000)
	<u>7,806,129</u>	<u>(91,289)</u>	<u>7,714,840</u>
TOTAL FUNDS	<u>7,818,176</u>	<u>(77,346)</u>	<u>7,740,830</u>

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	20,044	(6,101)	-	13,943
Restricted funds				
Restricted general fund	820,978	(779,153)	-	41,825
Restricted fixed asset fund	64,586	(187,700)	-	(123,114)
Pension reserve	-	-	(10,000)	(10,000)
	885,564	(966,853)	(10,000)	(91,289)
TOTAL FUNDS	<u>905,608</u>	<u>(972,954)</u>	<u>(10,000)</u>	<u>(77,346)</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry for forward at 31 August 2015.

15. RELATED PARTY DISCLOSURES

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

The following related party transactions took place in the period of account.

Active Luton Limited, a charitable company, with shared directors, provided services during the year relating to project & facilities management, financial, professional and administration services for the Academy and River Bank Primary School of £84,735 (2014: £71,153). This increase is due to the school growth and transfer to the new school building which required additional facilities and project management support. In addition support was provided during the changes at Head Teacher level. Extra Finance support was required for the EFA 2015 Comparative Study (£3,000). At the year end the balance outstanding with Active Luton Limited is £16,954 (2014: £18,611). This is included within trade creditors.

Luton Borough Council have assisted the academy by providing the land for the academy building.

During the year Luton Borough Council also provided the post of Head Teacher until February 2015 and offered continued support relating to human resources support of £19,519 (2014: £57,778) and pupil catering £40,146 (2014: £18,757) where the growth is due to the increase in pupil numbers. At the year end the balance outstanding with Luton Borough Council is £Nil (2014: £7,105). This is included within trade creditors.

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

16. PENSION COMMITMENTS

The academy'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 Bedford Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2015.

Contributions amounting to £9,804 (201: £3,058) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 AUGUST 2015

16. PENSION COMMITMENTS

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £17,000, of which employer's contributions totalled £13,000 and employees' contributions totalled £4,000. The agreed contribution rates for future years are 22.5% for employers and 6.9% 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.

Principle Actuarial Assumptions

	2015	2014
Rate of increases in salaries	3.6%	3.5%
Rate of increases in pension payments	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption	3.8%	5.4%
Commutation of pensions to lump sum	50%	50%

ACTIVE EDUCATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2015

16. PENSION COMMITMENTS

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

	2015	2014
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

The assets of the scheme and expected rate of return

	Expected return 2015	Fair value 2015 £'000	Expected return 2014	Fair value 2014 £'000
Equities	3.8%	35	6.3%	12
Bonds	3.8%	10	3.3%	3
Property	3.8%	6	4.5%	2
Cash	3.8%	2	3.3%	1
Total market value of assets		53		18
Present value of scheme liabilities		(69)		(24)
Surplus/(deficit) in the scheme		(16)		(6)

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Current service cost	38	13
	38	13

Analysis of pension finance income/(costs):

	2015 £'000	2014 £'000
Expected return on pension scheme assets	(2)	-
Interest on pension scheme liabilities	2	-
Net (cost)/return	-	-

The most recent actuarial valuation was calculated on 31 August 2015. The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £16,000 loss (2014: £6,000 loss).

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 AUGUST 2015

16. PENSION COMMITMENTS

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

	2015 £'000	2014 £'000
Opening defined benefit obligations	24	-
Current service cost	38	13
Interest cost	2	-
Contributions by members	8	4
Actuarial Losses / (Gains)	(3)	7
	<hr/>	<hr/>
At 31 August 2014	69	24
	<hr/>	<hr/>

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

	2015 £'000	2014 £'000
Opening fair value of employer assets	18	-
Expected return on assets	2	-
Contributions by members	8	4
Contributions by the employer	26	13
Actuarial Gains / (Losses)	(1)	1
	<hr/>	<hr/>
At 31 August 2014	53	18
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2016 is £27,000.