

Ambitions Academies Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2019

Company Registration Number:
07977940 (England and Wales)



COMPANIES HOUSE

Ambitions Academies Trust - Year ended 31 August 2019

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Ambitions Academies Trust - Year ended 31 August 2019

Reference and Administrative Details

Members

Mr Nigel Smith
Ms Lesley Spain
Mr Alan Connell
Mr Pratap Deshpande (appointed 20/12/2018)
Mr Clive Barrow (appointed 20/12/2018)
Mrs Pat Marchiori (appointed 30/04/19)

Trustees

Mrs Pat Marchiori (Chair of Trustees) #
Mr Richard Smith #
Mrs Marilyn Bramford*
Mrs Caroline Sard #
Mrs Berni Catling #
Mr Jonathan Badger* (resigned 26/03/2019)
Miss Louise Parker *
Mr Ted Taylor*
Mrs Roz Scammell*

*Membership of Finance Committee

Membership of Audit & Risk Management Committee

Company Secretary

Sherri Hawkins

Senior Management Team:

- | | |
|--|----------------|
| • Chief Executive Officer and Accounting Officer | Sian Thomas |
| • Director of Primary Education | Alex Prout |
| • Director of Secondary Education | Jon Webb |
| • Director of Special Education | Nicki Morton |
| • Director of Outcomes | Paul Holman |
| • Business Director | Sherri Hawkins |
| • Finance Director/Chief Financial Officer | Michael Reid |
| • Estates Director | Ian Hawkins |

Company Name

Ambitions Academies Trust

Principal and Registered Office

Manorside Academy
Evering Avenue
Parkstone
Poole
BH12 4JG

Company Registration Number

07977940 (England and Wales)

Ambitions Academies Trust - Year ended 31 August 2019

Reference and Administrative Details *(continued)*

Auditors

Filer Knapper LLP
Chartered Accountants and Statutory Auditor
10 Bridge Street
Christchurch
Dorset
BH23 1EF

Bankers

Lloyds Bank Plc
PO Box 1000
Andover
BX1 1LT

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report

The Trustees present their annual report together with the Financial Statements and Auditor's Report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates 6 primary, 4 secondary, 1 studio school and 2 special academies over 15 sites within Bournemouth, Poole and Weymouth. It has a combined roll of just over 5,700 students. The Trust also operates Ambitions Teaching School and Ambers Group Limited, a trading subsidiary that is controlled by the Trust. Ambers Group Limited runs wrap around care for each of our primary schools along with 3 Nurseries at King's Park, Manorside and Elm. It also runs 2 holiday camps at Oak and King's Park

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a private 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 Ambitions Academies Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Ambitions Academies Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with normal practice, the Trust insures its Trustees and Academy Advisory Committee Members against errors, negligent acts or omissions relating to their work for the Trust, with no limit on any single claim.

Method of Recruitment and Appointment or Election of Trustees

The Trust has a total of eight Trustees. Trustees serve a term of office of four years. New Trustees are appointed by the Members. Local school governance is through Academy Advisory Committees (AAC) with their Members being appointed by the Board of Trustees. When new Trustees or AAC Members are to be appointed, the Members or the Board approve at that point in time an appropriate process and criteria for recruitment, based on an analysis of the current skill and capability requirements of the Board or Academy Advisory Committee, the current needs of each of the Academies and governance good practice at Trust level.

Policies and Procedures Adopted for the Induction and Training of Trustees

When new Trustees or Academy Advisory Committee Members are appointed, an analysis of the requirements of their role and their current skills determine their induction process. The induction process is set out in the Governance Handbook.

Organisational Structure

For the period of these Financial Statements, the Trust's decisions are taken on behalf of all Academies by the Board of Trustees, in respect of governance, financial control and procedure and staffing structure. Principals under the guidance of Directors of Education, and Academy Advisory Committees lead individual Academies, making decisions on the direction of teaching and learning and achievement. The CEO is the Accounting Officer of the Trust.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Remunerations and Nominations Committee. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

Pay and remuneration for all personnel except the Chief Executive Officer is set by the Remunerations and Nominations Committee, which is a sub-committee of the Trustees. The Chief Executive Officer's pay and remuneration is set by an annual committee held solely for the appraisal and setting of pay and remuneration of the Chief Executive Officer.

Trade Union Facility Time

Relevant Union Officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 6 | 5.5 |

Percentage of time spent of facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 4 |
| 1%-50% | 2 |
| 51%-99% | |
| 100% | |

Percentage of pay bill spent on facility time

| | |
|---|-------------|
| Provide the total cost of facility time | £1,613.60 |
| Provide the total pay bill | £25,401,675 |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100 | 0.00635% |

Paid trade union activities

| | |
|---|--------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100 | 11.76% |
|---|--------|

Related Parties and other Connected Charities and Organisations

The Trust seeks to avoid related party transactions. In this period there are no related parties with which the Trust has transacted with, with the exception of Ambers Group Limited (the trading subsidiary) which began trading in September 2017 and has been consolidated within these Financial Statements.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Objectives and Activities

Objects and Aims

The Ambitions Academies Trust's objectives are set out in the Articles of Association. In summary it is to improve the level of education provision in Bournemouth and Poole whether directly through our own Academies or indirectly through working with other education providers in the region.

The aim of the Trust is to operate as a group of collaborating Academies for the benefit of young people. Academies are geographically close which offers the Trust the opportunity to develop a common ethos, share best practice and combine resources. Ambitions Academies Trust exists to provide outstanding education for pupils and young people, improving the life chances of all pupils and young people across the Trust. The Trust provides an outstanding education across all sectors, early years, primary, secondary and special, ensuring that pupils and young people are given a broad and balanced education which prepares them well for success in their future lives. The Trust provides strong challenge and support to Academies and ensures they deliver success for all.

Professional development, challenge and support are at the heart of ensuring that staff are some of the finest teachers so they can deliver outstanding teaching. The mainstream and special classes benefit greatly from working collaboratively across the Trust. Ambitions Academies Trust has been appointed as a Teaching School since 2014 which has enabled us to build on our successful outreach and teacher training work. This now enables us to provide extensive support to many schools and Academies across Dorset.

Objectives, Strategies and Activities

The aims of the Trust during the year ended 31 August 2019 are summarised below:

Early Years and Primary Sector

- Maintain outstanding outcomes - leaders robustly monitor, support and challenge outstanding teaching, learning and assessment.
- Strengthen leadership and widen the provision - Embed Nursery and wrap around care provision into sector.
- Improve the inclusion systems - improve the attendance of pupils and the successes of primary pupils as they move through to secondary school.

Special Sector

- Outcomes for pupils - 100% of students to achieve outstanding progress relative to starting points.
- Quality of teaching and learning and assessment - subject leadership is secure and teaching staff receive the support and challenge required to deliver the highest quality lessons across all subjects.
- Personal development, behaviour and welfare - to continue to support the high or improving attendance of all pupils
- Effectiveness of leadership and management - our curriculum has clear intent and is designed and implemented and linked inextricably to our new assessment framework, in order to bridge any gaps between pupils' needs, aspirations and outcomes.

Secondary sector

- Outcomes for pupils - embed, monitor, evaluate and review accountability systems and support structures to raise the outcomes of students across all schools.
- Quality of teaching and learning and assessment - improve the consistency and quality of learning across the Academies.
- Personal development, behaviour and welfare - provide opportunities that actively promote students' spiritual, moral, social, cultural development, physical well-being and lead to clear onward progression.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Objectives and Activities *(continued)*

Objectives, Strategies and Activities *(continued)*

Business

- Mental Health and Wellbeing Staff Strategy for Trust - to develop a trust wide staff mental health and wellbeing policy.
- Successful conversion for Kinson Primary, Wey Valley School and All Saints Church of England School - to undertake due diligence and ensure all documentation for the conversion is agreed, signed and sent to Solicitors/ESFA as appropriate.
- Monitoring and accountability framework is implemented and to review impact and areas for development - monitoring and accountability framework in place.
- Standardised templates for HR processes updated - continue to raise profile of GDPR.

Estates

- Petersfield - ongoing completion of the refurbishment of Petersfield campus and ensure budget is not exceeded - oversee installation and health and safety elements.
- Oak - 6 new classrooms have been refurbished throughout the year along with replacement windows in some areas of the school.
- Continual development of the Preventative Maintenance Plan (PMP) and its integration into the dashboard - ensure all infrastructure, structure and mechanical and electrical systems are registered within the PMP.
- Ensure low cost lighting and power production is implemented in suitable Academies across the Trust.
- The Trust is continuing to take advantage of installing solar panels on the Academies' roofs where possible to reduce our energy consumption.

Finance

- Updated Accounting Policy Handbook to be in place - update accounting policies.
- Embedding the new finance structure and having a Finance Handbook in place for staff - Finance Managers move to their new Academies and a Finance Handbook is created.
- Introduce BACS across the Trust - BACS are introduced to Trust Offices and launched the rest of the Trust.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objective and aims and in planning activities for the period. The Trustees consider that the Nolan Principles and charitable company's aims are demonstrably to the benefit of the public.

The key public benefit delivered by the Trust is the maintenance and development of the high quality education provided by the Trust to the young people of the communities the Academies serve. The Academies that the Trust operates are generally in deprived areas.

During the year the Trust has been working to support Kinson Academy, Wey Valley Academy and All Saints Church of England School, all three of these schools have since joined the Trust during the year.

Through the teaching school, the Trust runs a number of courses throughout the year. It has run 3 SEMH conferences, English as an additional language, parenting and drawing and talking courses that have been attended by schools across the Dorset area. It has also continued to run its NQT programme.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report

Educational Achievements and Performance – Key Performance Indicators

In 2018-19 all educational sectors across the Trust have continued to support their schools in offering the best possible learning opportunities for all the young people.

With the embedding of the KS2 Primary Progress key performance indicators nationally, a true picture of comparative progress is now emerging and this shows writing and maths to be strengths across this sector.

The secondary sector has been boosted with two Weymouth schools joining on 1 June 2019. The GCSE reform has now concluded with all subjects now assessed on the new 9-1 grading system. The 'Progress 8' key performance indicator is now becoming more widely understood alongside the more traditional 'Basic' attainment measure of English and maths. All secondary Academies continue the school improvement journey reflective of their context.

The Special Sector Academies within AAT continue to offer an outstanding educational provision for their vulnerable learners within their bespoke setting.

Key Performance Indicators

The key financial performance indicators during the year were as follows:

| Key Financial Performance Indicator 2018-19 | | Ambitions Academies Trust | Primary Academies | Secondary Academies | Special Academies |
|---|--------|---------------------------|-------------------|---------------------|-------------------|
| Year End Reserves: (excluding long term liabilities) | Target | 8 - 12% | 8 - 12% | 8 - 12% | 8 - 12% |
| | Actual | 5% | 38% | (39%) | 7% |
| Number of months' reserves: | | 0.6 | 5.2 | (4.5) | (0.9) |
| Direct Staff cost as % of Income: | Target | 60-70% | 60-70% | 60-70% | 60-70% |
| | Actual | 61% | 58% | 61% | 64% |
| Total Staff cost as % of Income: | Target | 70-75% | 70-75% | 70-75% | 70-75% |
| | Actual | 80% | 68% | 75% | 74% |

Summary of Primary Academy Results

Bayside Academy, now in its second full year within the Trust, showed significant improvement in progress of reading, writing and maths. Attainment outcomes for reading and maths at the expected level are almost double the previous year.

Elm Academy consolidated on the development it has made in writing over the last year and maintained a positive score for maths above the national average. The progress of reading however dipped and is now a key focus for this coming year.

Kinson Academy officially joined AAT on 1 January 2019. Staff were working with the Academy prior to this date and supported the significant improvement in progress for reading, writing and maths. Expected attainment in maths also showed year on year improvement in this short space of time.

King's Park Academy consolidated on the development it has made in writing over the last couple of years with a positive score of 1.48 and maintained a progress score for maths in line with the national average. The progress of reading however dipped and is now a key focus for this coming year.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Summary of Primary Academy Results *(continued)*

The progress of Year 6 students at Manorside Academy in 2019 was positive for reading showing a significant improvement on the previous year. Writing outcomes were positive, above national average and in line with the previous year. The progress of maths however dipped and is now a key focus for this coming year.

Queen's Park Academy achieved positive progress scores across all three disciplines. The continued Academy focus on reading resulted in a consolidation of progress on last year. Attainment levels were very impressive with the school achieving scores in reading and maths considerably above the national average.

Progress

| Academy | Date Joined AAT | Subject | Progress 2017 | Progress 2018 | Progress 2019* |
|---------|--------------------------------|---------|---------------|---------------|----------------|
| BA | 1 st April 2018 | Reading | | -6.95 | -3.75 |
| | | Writing | | -0.23 | 0.54 |
| | | Maths | | -3.98 | 2.12 |
| EA | 1 st September 2017 | Reading | | -0.72 | -1.21 |
| | | Writing | | 0.87 | 0.65 |
| | | Maths | | 1.18 | 0.42 |
| KA | 1 st Jan 2019 | Reading | | | -2.63 |
| | | Writing | | | -1.35 |
| | | Maths | | | -2.33 |
| KPA | 1 st March 2015 | Reading | -0.6 | 0.3 | -2.33 |
| | | Writing | 3.7 | 2.4 | 1.48 |
| | | Maths | 1.3 | 0.5 | -0.14 |
| MA | 1 st April 2015 | Reading | 2.1 | -1.3 | 0.78 |
| | | Writing | 0.2 | 0 | 0.54 |
| | | Maths | 1.7 | 1.4 | -1.22 |
| QPA | 1 st October 2012 | Reading | 0 | 0.7 | 0.85 |
| | | Writing | 2.3 | 1.8 | 2.74 |
| | | Maths | 1.4 | 0.2 | 2.07 |

The progress and attainment outcomes at Queen's Park Academy are all above national average and show the impact of the AAT primary system over time. It is particularly impressive to note that 27% of students reached the exceeding benchmark for reading compared to the national average of 11%.

*Please note that all 2019 KS2 data is currently unvalidated, awaiting national confirmation.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Summary of Secondary Sector Results

All Saints Church of England Academy joined the Trust on 1 June 2019 at the request of the Diocese of Salisbury following an Inadequate Ofsted inspection in May 2018. The Diocese retain an input into the strategic direction of the school through a quorum of Foundation governance at AAC level. The school is a popular secondary school of approximately 850 students that has already benefitted from leadership support from the Trust.

LeAF Studio has benefitted from Trust strategic leadership support since it joined the Trust in 2017. It has firmly established itself as a school of choice for its specialism subjects of Performing Arts and Sport and is now oversubscribed. The Progress 8 score of -0.42 shows a sustainable improvement on last year as the legacy cohorts are seen through. Dance and Drama gained progress scores of 0.83 and 0.71 and respectively. The English progress score showed considerable improvement on last year and now the school is in a stable position, improved academic results are expected next year. An Ofsted inspection in January 2019 judged LeAF Studio to be a 'Good' school.

Oak Academy continues to maintain progress levels similar to the previous year. The Academy endures a period of transition as the curriculum design is brought into line with Progress 8 expectations, hence the Progress 8 score was low at -0.77. Encouragingly Oak Academy is fully staffed in the three core subjects of English, maths and science with subject specialists which bodes well for the coming academic year.

St Aldhelm's Academy progress dropped disappointingly from the previous year however this was not unexpected as there was a very small cohort of just 64 students with the profile of the year group being very low ability. Due to the small cohort confidence margins for the progress score mean that this outcome is still in line with national average. Under the strategic direction of the Trust the school is now firmly a school of choice with 170 students entering the Academy in year 7 as opposed to 64 departing in year 11.

Wey Valley Academy joined the Trust on 1 June 2019 after three successive Requires Improvement Ofsted inspections followed by an Inadequate judgement in May 2019. AAT appointed a new Principal in July 2019. The Academy is now benefitting from the support provided from secondary specialists within the Trust as it works to realign its curriculum, support staff and raise the aspirations of all its students.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Progress

| Academy | Date Joined | Subject | Progress 2017 | Progress 2018 | Progress 2019* |
|---------------------------|---------------------------|------------|---------------|---------------|----------------|
| All Saints C of E Academy | 1st June 2019 | Overall P8 | | | -0.21 |
| | | English | | | -0.29 |
| | | Maths | | | -0.14 |
| | | EBacc | | | -0.05 |
| | | Open | | | -0.46 |
| LeAF Studio | 1 st Sept2017 | Overall P8 | | -0.52 | -0.42 |
| | | English | | -0.36 | -0.12 |
| | | Maths | | -0.56 | -0.56 |
| | | EBacc | | -0.84 | -0.79 |
| | | Open | | -0.27 | -0.34 |
| Oak Academy | 1 st Sept 2017 | Overall P8 | | -0.67 | -0.77 |
| | | English | | -0.73 | -0.67 |
| | | Maths | | -0.26 | -0.53 |
| | | EBacc | | -0.37 | -0.61 |
| | | Open | | -1.16 | -1.14 |
| St Aldhelm's Academy | 1 st June 2015 | Overall | 0.22 | 0.45 | -0.27 |
| | | English | 0.21 | 0.19 | -0.50 |
| | | Maths | 0.14 | 0.12 | -0.55 |
| | | EBacc | -0.13 | 0.18 | -0.30 |
| | | Open | 0.62 | 0.90 | 0.11 |
| Wey Valley Academy | 1st June 2019 | Overall | | | -0.82 |
| | | English | | | -0.94 |
| | | Maths | | | -0.74 |
| | | EBacc | | | -0.82 |
| | | Open | | | -1.22 |

*Unvalidated - Please note that all 2019 KS2 data is currently unvalidated, awaiting national confirmation.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Summary of Special Sector Results

The two Academies within the Special Sector of education, Longspee Academy and Tregonwell Academy offer tailored learning opportunities to support the individual needs of their learners. A bespoke academic and enriching curriculum is taught to ensure students are provided with the best possible chances of engaging with and fulfilling a purposeful role in society. Within this sector, student targets and achievements are set in relation to the individual needs of each child.

Both schools are currently judged as Outstanding by Ofsted.

Longspee Academy

| KS3 | Students Entered | On Target | % met or exceeded targets |
|---------|------------------|-----------|---------------------------|
| Maths | 44 | 41 | 87 |
| English | 44 | 41 | 93 |
| Science | 44 | 37 | 80 |

Tregonwell Academy

| KS3 | Students Entered | On Target | % met or exceeded targets |
|---------|------------------|-----------|---------------------------|
| Reading | 36 | 36 | 100% |
| Writing | 36 | 33 | 92% |
| Maths | 36 | 34 | 94% |

| KS4 | Students Entered | GCSE Pass | GCSE Grade 4+ |
|--------------------|------------------|-----------|---------------|
| English Language | 25 | 88% | 12% |
| English Literature | 12 | 75% | 17% |
| Maths | 22 | 86% | 23% |
| Science | 24 | 75% | 8% |

In addition, a total of 27 BTEC vocational courses were completed in Art, Construction, Hair and Beauty and Sport supporting students skills and onward progression. Tregonwell Academy ensured that 84% of their year 11 students progressed on to either full time education, apprenticeship or employment at Post 16.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Going Concern

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

In order to maintain the financial stability of the Trust, the budget monitoring process has been reviewed and adjusted, cashflow is monitored on a daily basis and the budgets now are reworked 3 times a year to ensure all budgeted income and expenditure remain relevant.

The Trustees recognise that St Aldhelm's Academy has significant legacy issues dating back to December 2012, resulting in a current deficit of £3.7m, of which £1.2m represents cash drawn down from the Education and Skills Funding Agency (ESFA), as per the Financial Notice to Improve issued in April 2012, the £1.2m represents the underlying deficit financial performance. The Trust continues to work closely with the ESFA on its financial recovery plan, with quarterly reviews and detailed financial submissions to both the ESFA and Trustees.

Financial Review

In the main, the Trust's income comes from the Education and Skills Funding Agency (ESFA). The income comes in the form of recurrent grants for specific purposes. These grants and the associated expenditure are shown as restricted funds in the consolidated Statement of Financial Activities. The Trust also receives specific grants and a high level of non-recurrent income for special educational needs provision from Local Authorities.

The Trust also received recurrent grants for fixed assets from the ESFA. These grants are shown in the consolidated Statement of Financial Activities as restricted income and represented in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

This year saw the transfer on conversion of a local authority school and two existing Academy Trusts, this has resulted in a large transfer in. The transfer has been split on the Statement of Financial Activities between the relevant funds.

The deficit attributable to St Aldhelm's Academy is largely covered by an agreed repayment programme with the ESFA, covering £1,170,000 of the £3,733,481 deficit. The Trust accounts for the ESFA loan as a concessionary loan. The remaining loan of £1,170,000 loan is interest free. Concessionary loans are made to a public benefit entity at below market interest rates to advance the charitable purposes of the charity to which it is made and are not for commercial purposes. The loan is recognised on initial measurement at the amount advanced and subsequently at the balance due. The Trust expects St Aldhelm's Academy to make an in-year surplus from September 2020. All expenditure in the period was used for direct provision of education to our pupils and for the support services necessary to enable this provision.

At 31 August 2019 the net book value of tangible fixed assets was £87,194,089 (2018 - £61,948,785). These assets were used exclusively for providing education to the Trust's pupils and related support services.

The trading subsidiary company, Ambers Group Limited, operates three nurseries at King's Park, Manorside and Elm, along with operating wrap around care including breakfast, afterschool and holiday clubs across the primary academies of the Trust. The facilities based at Oak and LeAF Studio are also let out to third parties. The year end reserves were £36,761.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Reserves Policy

The Trust held balance at 31 August 2019, including St Aldhelm's Academy's deficit, was £63,725,993 (2018 - £48,986,751), comprising of a deficit of £467,539 (2018 - deficit of £1,730,418) of restricted funds, a pension reserve deficit of £24,750,000 (2018 - £13,743,000), fixed asset reserves of £87,194,089 (2018 - £63,033,909) and unrestricted reserves of £1,749,443 (2018 - £1,426,260).

Total revenue reserves, which exclude the fixed asset fund of £87,194,089 (2018 - £63,033,909) and the pension reserve deficit of £24,750,000 (2018 - £13,743,000), as at 31 August 2019 were a surplus of £1,281,904 (2018 - deficit of £304,158), again including St Aldhelm's Academy's legacy deficit. Excluding St Aldhelm's Academy's legacy deficit, total revenue reserves were a surplus of £5,015,385 (2018 - £3,325,484). The fixed asset fund includes capital grants of £1,229,604 (2018 - £1,076,290) for ongoing projects.

The Trust aims to hold between 8% and 10% of total revenue income in reserves. Currently the reserves held are 4%, an increase of 2% upon the prior year, this is mostly due to the legacy deficit held at St Aldhelm's.

The pension reserve currently is in a deficit of £24,750,000 (2018 - deficit of £13,743,000). Whilst this is a significant deficit that impacts on the total reserves of the Trust, this does not mean that there is an immediate liability for this value. The impact on this value will be a potential increase in the pension contribution that is made to the LGPS. The Trust attempts to limit the potential future impact on the budgets by reviewing various scenarios during the budget setting process.

The Trustees consider that the underlying reserves levels, excluding the long term liabilities of St Aldhelm's Academy and the cash reserves across the Academies, are sufficient for the working capital and operational needs of the Trust, based on historic levels of activity. The reserves meet our need for ongoing investment in our properties. Given the current expansion of the Trust, these requirements are not fixed. The Trustees will keep the level of reserves under review.

Investment Policy

For the period covered by these Financial Statements, all cash balances have been held in current accounts in UK banks. Where the balance permits, the Trust intends to hold any surplus cash in low risk high interest deposit accounts using the services of a bank which specialises in charity clients.

Principal Risks and Uncertainties

The Trustees have assessed, through a Risk Register and through the robust scrutiny and challenge of the Audit and Risk Management Committee, the major risks to which the Trust are exposed. In particular, assessment has been made of the risks relating to specific teaching, provision of facilities and other operational areas of the Trust and its finances. Risks are assessed through a number of systems, and procedures are implemented to mitigate these risks. Some of these mitigating procedures include internal financial controls, trend and sensitivity analysis, vetting of new staff, health and safety policies and data protection procedures. The Trust has ensured that adequate insurance cover is in place to mitigate risk through membership of the ESFA's Risk Pooling Arrangement.

The principle risks have been identified as:

Reputational - the continued success of attracting sufficient numbers of pupils to the Academies by maintaining and improving educational standards.

Government funding - the Trust has considerable reliance on the continued government funding through the ESFA/ DfE and there is no assurance that government policy or practice will remain the same and funding will remain at the same levels or on the same basis.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Principal Risks and Uncertainties *(continued)*

Staffing - the ability to retain, recruit and train quality staff and leaders by ensuring continual personal development and clear succession planning.

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

Buildings and Facilities - ensuring the estate under the control of the Trust remains safe, secure and compliant.

Pension Liability - this may fluctuate over time based on economic and Local Authority investment policy. This is a long term liability where it is hoped that it will reduce in the future by employer contributions and additional lump sum payments.

In respect of St Aldhelm's Academy's financial recovery, the Trustees have implemented an ongoing process of monitoring through the Finance Committee to quantify and mitigate the risks. While this is still relatively early days for St Aldhelm's Academy as part of the Trust, there are indications of strong improvement. Pupil numbers have risen steadily throughout the period with new pupils joining in every year group. The specialist leadership recruited to the Academy is having a transformative impact on the quality of teaching and learning and pupil outcomes, validated by the Ofsted rating of Good.

Plans for Future Periods

Following on from the Trust governance review the Trustees have undertaken a strategic review and have worked with the executive team to revisit the Trust vision and values and mission statement.

A Strategic Plan, initially for the next two years, has been established and agreed and set the Trust priorities as below:

1. To provide a broad, balanced and enriching curriculum that meets every pupils' needs enabling and empowering all children to develop and make ambitious progress and become well prepared for adulthood.
2. Quality staff recruitment, ongoing training and deployment to develop our people.
3. Efficient and effective management of finance, IT, resources and estates.
4. Strategic development of Ambers Group and evaluation of all commercial opportunities.
5. To ensure there is a culture of inclusivity where physical and emotional wellbeing is championed.

Employment of Disabled People

Ambitions Academies Trust's recruitment policy ensures that no candidate is discriminated against or unfairly treated because of a protected characteristic. Practical steps are taken to ensure reasonable adjustments are made at each stage of the recruitment process to allow disabled candidates to pursue a job vacancy and anonymous equality and diversity information is collected during the application process to ensure Ambitions Academy Trust's ability to monitor and improve its processes.

For staff members who become disabled during their employment with Ambitions Academies Trust, consideration is given to reasonable adjustments which will help to retain staff members whilst meeting the needs of the organisation in delivering its service.

Ambitions Academies Trust - Year ended 31 August 2019

Trustees' Report *(continued)*

Strategic Report *(continued)*

Employment Involvement

Ambitions Academies Trust works positively with Unions in all matters concerning its employees from joint consultation in relation to policy development, TUPE processes, disciplinary and grievance situations, issues relating to attendance at work and other employee relationship matters.

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on17/12/19..... and signed on the Board's behalf by:



.....
Mrs C Sard
Vice Chair of Trustees

Date: 17th December 2019

Ambitions Academies Trust - Year ended 31 August 2019

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ambitions Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| Mrs P Marchiori (Chair of Trustees) | 4 | 6 |
| Mrs C Sard (Vice Chair of Trustees) | 6 | 6 |
| Mr R Smith | 6 | 6 |
| Mrs M Bramford | 6 | 6 |
| Mrs L Parker | 6 | 6 |
| Mrs B Catling | 6 | 6 |
| Mr T Taylor | 6 | 6 |
| Mr J Badger | 0 | 6 |
| Mrs R Scammel | 5 | 6 |

A Trust wide dashboard has been developed which covers relevant KPIs for educational outcomes, business and HR, finance and estates. This continues to evolve as practice across the sectors is developed. The dashboard allows the Trustees to have an overview of each Academy's performance centrally. Following the external governance review the Trustees have undertaken a strategy review. This has focused on the vision of the Trust and has led to the creation of a 2-year strategic plan incorporating all sectors of Trust business.

In February 2019 the Trust undertook a full external governance review. Following the review a number of areas were identified as areas for improvement and these are as follows:

- Publish a Strategic Plan for the Trust clearly stating the Trust vision, mission and objectives to support and direct the ongoing success of the Trust.
- Improve communication between the Trustees and the Academy Advisory Committees.
- All Academy Advisory Committees to have a full complement of members and challenge appropriately and ensure that meetings are quorate.
- Develop the Education Committee to ensure it is focused on the key areas - outcomes, teaching and learning, attendance and leadership.
- Further develop the role of Clerk to lead on governance support and challenge.
- All Governance documents are fit for purpose.

Ambitions Academies Trust - Year ended 31 August 2019

Governance Statement *(continued)*

Governance *(continued)*

Following the external governance review the Trustees reflected on the committee structure and composition, with particular respect in holding the Educational Directors and each Academy to account. A dedicated link Trustee has been identified for every Academy. There are terms of reference of the expectations of a linked Trustee that include attending Academy Advisory Committee meetings at least once a year and reviewing all the minutes of all other meetings. A support and challenge cycle has now been implemented and includes meetings with the Educational Directors. The Chair of the Educational Strategy and Outcomes Committee meets each director to review results and ensure school improvement plans are fit for purpose. Reports are then presented to the Educational Strategy and Outcomes Committee.

Members provide challenge and direction to the Trustees on a regular basis. Following a recommendation from the external governance review a link Trustee to the Members has been established. The Chair of Trustees provides this link and is now a member.

Following the review, the Trustees have set aside one of their Trustees meetings during the year to carry out a self-evaluation of governance.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the Trust's finances over the year, including projected and actual levels of funding and review budgets. The Finance Committee is required to report back to the Board of Trustees and make recommendations as required for the Trustees' approval.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mrs L Parker | 9 | 9 |
| Mrs M Bramford | 9 | 9 |
| Mr T Taylor | 9 | 9 |
| Mrs R Scammell | 7 | 8 |

The Audit and Risk Management Committee is a sub-committee of the main Board of Trustees. Its main purpose is to review the effectiveness of financial controls and risk management, and also to appoint and oversee the work of the internal and external auditors.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Mr R Smith (Committee Chair) | 3 | 3 |
| Mrs P Marchiori | 2 | 3 |
| Mrs C Sard | 1 | 1 |
| Mrs B Catling | 2 | 3 |

Ambitions Academies Trust - Year ended 31 August 2019

Governance Statement *(continued)*

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Education Reviews

On a termly basis each Academy's performance is reviewed through the Academy Termly Accountability Review that is chaired by the Director of Outcomes and attended by the sector Director of Education and the sector Principals. These reviews ensure that the Academies are having a significant impact on the outcomes of the pupils.

These reviews are collated and are reported to the executive team through the Strategy Termly Accountability Review. These reviews ensure that the work and outcomes in each sector is aligned to the strategic vision of the Trust.

Trust Forums

Trust wide forums for safeguarding for SEND are now well established and provide key information and systems practice to all Academies across the Trust. Educational focused Trust Forums continue to be developed and embedded across the three sectors. These forums are key in providing staff professional development and ensuring all Academies are implementing best practice. We believe that collaboration between these teams is the key driving force in establishing effective working practices across the Trust.

Financial Effectiveness

The Trust has also used central procurement and economies of scale to make the best use of resources in respect of areas such as HR support, IT provision, telephony and broadband throughout the year. For capital projects and general expenditure, the Trust aims to make the best use of local suppliers where appropriate, supporting small and medium-sized local businesses while securing the best value for money.

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. This has been achieved by commissioning an external review of internal controls. The system of internal control has been in place in Ambitions Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and Financial Statements.

Three new Academies have joined the Trust during the year, in all instances the Trust has been working with these schools prior to joining the Trust. In all cases, each Academy has adopted on conversion/ transfer the same accounting system as the Trust along with the policies and procedures of the Trust.

Ambitions Academies Trust - Year ended 31 August 2019

Governance Statement *(continued)*

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal Auditor. However, the Trustees have appointed Filer Knapper, the external Auditor, to perform additional checks. The internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of banking and cash book systems

The Audit and Risk committee determine the schedule of work to be carried out throughout the year by Filer Knapper. This year the work has been carried out per the schedule except one item which was to review the nominal ledger controls. It was agreed to move this review work to 19/20 as the Trust is in the process of implementing a new finance system and it was felt this would achieve better value for money. Overall there were no material control issues arising.

As well as Filer Knapper carrying out additional checks, the Chairs of the Finance, Audit and Personnel committees have regular support and challenge meetings with the Business Director and Finance Director to review the systems in place in the relevant area. The outcomes are then reported at the next committee meeting.

Ambitions Academies Trust - Year ended 31 August 2019

Review of Effectiveness

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

- the work of the external Auditor
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
- there has been explicit Finance Planning Group at executive level, which has met on a fortnightly basis throughout the year to support the development and embedding of systems of finance across the Trust including the introduction of a new finance system

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Management Committee and ensure continuous improvement of the system is in place. The system has been deemed to be effective overall, however during the year issues have been identified that are being addressed in the form of internal audit reviews of processes and systems.

Approved by order of the members of the Board of Trustees on17/12/19..... and signed on its behalf by:



Mrs C Sard
Vice Chair of Trustees



Ms S Thomas
Accounting Officer

Ambitions Academies Trust - Year ended 31 August 2019

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ambitions Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.



Ms S Thomas
Accounting Officer

Date: 12/12/2019

Ambitions Academies Trust - Year ended 31 August 2019

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report and Directors' Report) and the Financial Statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these Financial Statements, the Trustees are required to:

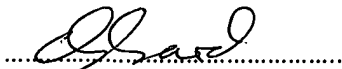
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on17/12/19..... and signed on its behalf by:



Mrs C Sard

Vice Chair of Trustees

Ambitions Academies Trust - Year ended 31 August 2019

Independent Auditor's Report to the Members of Ambitions Academies Trust

Opinion

We have audited the Financial Statements of Ambitions Academies Trust (the 'Parent Academy Trust') and its subsidiary (the 'group') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and of the parent Academy Trust's affairs as at 31 August 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the 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 Trustees use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's or the parent Academy Trust'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.

Ambitions Academies Trust - Year ended 31 August 2019

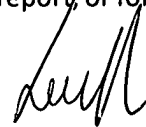
Independent Auditor's Report to the Members of Ambitions Academies Trust *(continued)*

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditor's Report.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 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.



10 Bridge Street
Christchurch
Dorset
BH23 1EF

LUCY FILER
(Senior Statutory Auditor)
For and on behalf of
FILER KNAPPER LLP
Chartered Accountants
& Statutory Auditor

Date: 23 December 2019

Ambitions Academies Trust - Year ended 31 August 2019

Independent Auditor's Report to the Members of Ambitions Academies Trust *(continued)*

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the Financial Statements and our Auditor's Report thereon. Other information includes the Trustees' Report (incorporating the Strategic Report and the Directors' Report), the Governance Statement, and the Accounting Officer's statement. 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 Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Ambitions Academies Trust - Year ended 31 August 2019

Independent Reporting Accountant's Assurance Report on Regularity to Ambitions Academies Trust and the Education and Skills Funding Agency *(continued)*

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



10 Bridge Street
Christchurch
Dorset
BH23 1EF

FILER KNAPPER LLP
Chartered Accountants
& Statutory Auditor

Date: 23 December 2019

Ambitions Academies Trust - Year ended 31 August 2019

Independent Reporting Accountant's Assurance Report on Regularity to Ambitions Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 12 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ambitions Academies Trust during the period 1 September 2018 to 31 August 2019 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 Ambitions Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ambitions Academies Trust and 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 Ambitions Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ambitions Academies Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Ambitions Academies Trust's funding agreement with the Secretary of State for Education dated 30 July 2014, subsequent funding agreements and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Reviewing the systems and procedures in place.
- Reviewing the results of the audit work which could have implications over the assurance conclusion.
- Reviewing the Trust's funding agreement and articles of association and whether these have been followed.
- Considering the requirements of the financial handbook and accounts directions issued by the ESFA and whether any material breaches have occurred.

Ambitions Academies Trust - Year ended 31 August 2019

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

| | Notes | Unrestricted Funds | Restricted General Funds | Restricted Fixed Assets Funds | Total Funds 2019 | Total Funds 2018 |
|---|--------|-----------------------|--------------------------------|--|---------------------|---------------------|
| | | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | - | - | 1,288,777 | 1,288,777 | 1,321,179 |
| Transfer from existing Academy Trust | 29 | 10,433 | (4,017,694) | 21,975,170 | 17,967,909 | 15,857,357 |
| Transfer from local authority on conversion | 29 | 361 | (1,386,000) | 2,330,000 | 944,361 | 3,272,938 |
| Charitable activities: | | | | | | |
| Funding for the Trust's educational operations | 3 | 794,692 | 29,296,129 | - | 30,090,821 | 25,009,779 |
| Teaching school | 3 | 112,874 | 81,050 | - | 193,924 | 171,806 |
| Other trading activities | 4 | 886,962 | - | - | 886,962 | 753,515 |
| Investments | 5 | 1,829 | - | - | 1,829 | 990 |
| Total | | 1,807,151 | 23,973,485 | 25,593,947 | 51,374,583 | 46,387,564 |
| Expenditure on: | | | | | | |
| Raising funds | | 686,565 | - | - | 686,565 | 414,589 |
| Charitable activities: | | | | | | |
| Trust education operations | | 756,249 | 30,186,582 | 1,459,741 | 32,402,572 | 27,621,118 |
| Teaching school | | 41,154 | 81,050 | - | 122,204 | 95,273 |
| Total | 6 | 1,483,968 | 30,267,632 | 1,459,741 | 33,211,341 | 28,130,980 |
| Net income / (expenditure) | | 323,183 | (6,294,147) | 24,134,206 | 18,163,242 | 18,256,584 |
| Transfers between funds | 17 | - | (25,974) | 25,974 | - | - |
| Other recognised gains: | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 17, 26 | - | (3,424,000) | - | (3,424,000) | 3,105,000 |
| NET MOVEMENT IN FUNDS | | 323,183 | (9,744,121) | 24,160,180 | 14,739,242 | 21,361,584 |
| RECONCILIATION OF FUNDS | | | | | | |
| Funds brought forward at 1 September 2018 | | 1,426,260 | (15,473,418) | 63,033,909 | 48,986,751 | 27,625,167 |
| Funds carried forward at 31 August 2019 | | 1,749,443 | (25,217,539) | 87,194,089 | 63,725,993 | 48,986,751 |

All of the Trust's activities derive from continuing operations and acquisitions during the above financial period.

Ambitions Academies Trust - Year ended 31 August 2019

Balance Sheet as at 31 August 2019 - Consolidated

| | Notes | 2019 | | 2018 | |
|---|-------|---------------------|--------------------------|---------------------|--------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 12 | | - | | 8,834 |
| Tangible assets | 13 | | 85,964,445 | | 61,948,785 |
| | | | <u>85,964,445</u> | | <u>61,957,619</u> |
| Current assets | | | | | |
| Debtors | 14 | 2,001,642 | | 1,772,565 | |
| Cash at bank and in hand | | <u>3,865,716</u> | | <u>1,914,267</u> | |
| | | 5,867,358 | | 3,686,832 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 15 | <u>(2,855,810)</u> | | <u>(1,744,700)</u> | |
| Net current assets/(liabilities) | | | <u>3,011,548</u> | | <u>1,942,132</u> |
| Total assets less current liabilities | | | 88,975,993 | | 63,899,751 |
| Creditors: Amounts falling due after more than one year | 16 | | <u>(500,000)</u> | | <u>(1,170,000)</u> |
| Net assets excluding pension liability | | | <u>88,475,993</u> | | <u>62,729,751</u> |
| Defined benefit pension scheme liability | 26 | | (24,750,000) | | (13,743,000) |
| Total assets | | | <u><u>63,725,993</u></u> | | <u><u>48,986,751</u></u> |
| Funds of the Trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 17 | 87,194,089 | | 63,033,909 | |
| Restricted income fund | | (467,539) | | (1,730,418) | |
| Pension reserve | 17 | <u>(24,750,000)</u> | | <u>(13,743,000)</u> | |
| Total restricted funds | | | 61,976,550 | | 47,560,491 |
| Unrestricted income funds | 17 | | <u>1,749,443</u> | | <u>1,426,260</u> |
| Total funds | | | <u><u>63,725,993</u></u> | | <u><u>48,986,751</u></u> |

The Financial Statements on pages 30 to 61 were approved by the Trustees and authorised for issue on 17/12/19 and are signed on their behalf by:



Mrs C Sard
Vice Chair of Trustees

Company Number 07977940

Ambitions Academies Trust - Year ended 31 August 2019

Balance Sheet as at 31 August 2019 – Academy Trust

| | Notes | 2019 | 2018 |
|---|-------|--------------------------|--------------------------|
| | | £ | £ |
| Fixed assets | | | |
| Intangible assets | 12 | - | 8,834 |
| Tangible assets | 13 | 85,964,445 | 61,948,785 |
| | | <u>85,964,445</u> | <u>61,957,619</u> |
| Current assets | | | |
| Debtors | 14 | 2,508,618 | 1,791,226 |
| Cash at bank and in hand | | 3,309,105 | 1,716,849 |
| | | <u>5,817,723</u> | <u>3,508,075</u> |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 15 | (2,842,936) | (1,715,760) |
| | | <u></u> | <u></u> |
| Net current assets | | <u>2,974,787</u> | <u>1,792,315</u> |
| Total assets less current liabilities | | <u>88,939,232</u> | <u>63,749,934</u> |
| Creditors: Amounts falling due after more than one year | 16 | (500,000) | (1,170,000) |
| | | <u></u> | <u></u> |
| Net assets excluding pension liability | | <u>88,439,232</u> | <u>62,579,934</u> |
| Defined benefit pension scheme liability | 24 | (24,750,000) | (13,743,000) |
| | | <u></u> | <u></u> |
| Total assets | | <u><u>63,689,232</u></u> | <u><u>48,836,934</u></u> |
| Funds of the Trust: | | | |
| Restricted funds | | | |
| Fixed asset fund | 17 | 87,194,089 | 63,033,909 |
| Restricted income fund | | (467,539) | (1,730,418) |
| Pension reserve | 17 | (24,750,000) | (13,743,000) |
| | | <u></u> | <u></u> |
| Total restricted funds | | <u>61,976,550</u> | <u>47,560,491</u> |
| Unrestricted income funds | 17 | 1,712,682 | 1,276,443 |
| | | <u></u> | <u></u> |
| Total funds | | <u><u>63,689,232</u></u> | <u><u>48,836,934</u></u> |

The Financial Statements on pages 30 to 61 were approved by the Trustees and authorised for issue on 17/12/19 and are signed on their behalf by:



Mrs C Sard
Vice Chair of Trustees

Company Limited by Guarantee
Company Number 07977940

Ambitions Academies Trust - Year ended 31 August 2019

Statement of Cash Flows

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 21 | 1,852,239 | 1,387,639 |
| Cash flows from investing activities | 23 | 129,210 | 446,978 |
| Cash flows from financing activities | 22 | (30,000) | - |
| Change in cash and cash equivalents in the reporting period | | <u>1,951,449</u> | <u>1,834,617</u> |
| Cash and cash equivalents at 1 September 2018 | | 1,914,267 | 79,650 |
| Cash and cash equivalents at 31 August 2019 | 24 | <u>3,865,716</u> | <u>1,914,267</u> |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements

1 Statement of accounting policies

General information and basis of preparation

Ambitions Academies Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 3 of these Financial Statements along with the principal place of business. The nature of the Academy Trust's operations and principal activities are set out in the Trustees' Report on page 7.

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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. See note 17 for more details.

Group financial statements

These Financial Statements consolidate the results of Ambitions Academies Trust and its wholly owned subsidiary, Ambers Group Limited, on a line by line basis. A separate statement of financial activities for the charity itself is not presented. Ambers Group Limited was incorporated on 11 July 2017, trade began in the year ended 2018 when the nursery provision was transferred from the Trust, along with sundry smaller income streams. The subsidiary has the same registered office as the Trust.

Income

All incoming resources are recognised when the 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.

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.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Sponsorship Income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

Income from trading activities includes income earned from trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. The Trust does not currently hold any donated goods, facilities or services.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received. The basis of measurement for transferred premises, is the fair value derived based on that of equivalent items, set out in note 29.

Transfer of existing academies into the Academy Trust

Where assets and liabilities are received on the transfer of an existing Academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within donations and capital grant income to the net assets acquired. The basis of measurement for transferred premises is set out in note 30.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Expenditure

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

Costs of raising funds represents the operating costs of its subsidiary trading company.

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible fixed assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software - 3 years straight line

Tangible Fixed Assets

Tangible fixed assets costing £2,000 or more are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Tangible fixed assets purchased out of unrestricted funds are transferred to the restricted fixed asset fund when the assets are to be used for the Trust's charitable purposes and it is deemed appropriate to designate them as restricted. Depreciation on these transferred assets is charged to the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

- | | |
|---|--|
| • Freehold and long leasehold buildings | Buildings 50, 25 and 15 years straight line/land 125 years straight line |
| • Fixtures, fittings and equipment | 25% reducing balance |
| • Computer hardware | 3 years straight line |
| • Motor vehicles | 5 years straight line |

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

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Tangible Fixed Assets *(continued)*

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.

Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 10% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from All Saints Church of England School to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

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 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 at 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

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 14. 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 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Concessionary Loan

The Trust accounts for the ESFA loan as a concessionary loan. Concessionary loans are made to a public benefit entity at below market interest rates to advance the charitable purposes of the charity to which it is made. The loan is recognised on initial measurement at the amount advanced.

Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the 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.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Pensions Benefits *(continued)*

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

There are no limits imposed on the amount of GAG that the Trust is permitted to carry forward from one year to the next.

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 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.

LeAF Studio is currently funded by estimate funding rather than lagged funding. Pupil numbers for the following year are estimated and are submitted to the ESFA. LeAF is then funded on this estimated pupil number. During the year actual pupil numbers are recorded during the October and January census. If the actual pupil numbers are above the estimated figure and meet the threshold for an adjustment, then the ESFA will top up the funding from May onwards. If the actual pupil numbers are below the estimate, then the ESFA will recover the overpayment in instalments from the following September.

St Aldhelms is currently being funded on a hybrid between lagged and estimate funding. Initially St Aldhelms was funded through lagged funding, if at the census dates it has reached 5% growth in pupils, it will trigger an additional payment from the ESFA, this payment normally happens in either August or September. Due to the timing this can create an accrued income balance at year end. Because it is initially funded on lagged pupil numbers there is no risk of a clawback from the ESFA.

Manorside Academy is funded on lagged funding however due to the increasing pupil numbers the Trust applies to have an in-year adjustment that creates an additional payment in the year.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019. 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.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

2 Donations and capital grants

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ | Total Funds 2018 £ |
|----------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Capital grants | - | 1,288,777 | 1,288,777 | 1,321,179 |
| 2018 total | - | 1,321,179 | 1,321,179 | |

3 Funding for the Trust's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| DfE/ESFA Revenue Grants | | | | |
| General Annual Grant (GAG) | - | 21,884,792 | 21,884,792 | 18,342,592 |
| Start up grants | - | 129,750 | 129,750 | 84,289 |
| Other DfE/ESFA grants | - | 2,989,643 | 2,989,643 | 1,886,689 |
| | - | 25,004,185 | 25,004,185 | 20,313,570 |
| Other Government Grants | | | | |
| Local authority grants | - | 4,227,468 | 4,227,468 | 3,812,810 |
| Other income from the Trust's educational operations | 794,692 | 64,476 | 859,168 | 883,399 |
| | 794,692 | 4,291,944 | 5,086,636 | 4,696,209 |
| Teaching School | 112,874 | 81,050 | 193,924 | 171,806 |
| | 907,566 | 29,377,179 | 30,284,745 | 25,181,585 |
| 2018 total | 854,124 | 24,327,461 | 25,181,585 | |

4 Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| Hire of facilities | 127,331 | - | 127,331 | 95,989 |
| Consultancy and leadership | 34,416 | - | 34,416 | 83,637 |
| Other income | 1,892 | - | 1,892 | 9,485 |
| Income from trading subsidiary (see note 32) | 723,323 | - | 723,323 | 564,404 |
| | 886,962 | - | 886,962 | 753,515 |
| 2018 total | 753,515 | - | 753,515 | |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

5 Investment income

| | Unrestricted Funds | Total Funds 2019 | Total Funds 2018 |
|---------------------|--------------------|------------------|------------------|
| | £ | £ | £ |
| Short term deposits | 1,829 | 1,829 | 990 |
| 2018 total | 990 | 990 | |

6 Expenditure

| | Staff Costs | Premises | Other Costs | Total 2019 | Total 2018 |
|-------------------------------|-------------|-----------|-------------|------------|------------|
| | £ | £ | £ | £ | £ |
| Expenditure on raising funds: | | | | | |
| Direct costs | 572,783 | - | 18,184 | 590,967 | 396,329 |
| Allocated support costs | 14,712 | 6,756 | 74,130 | 95,598 | 18,260 |
| Educational operations: | | | | | |
| Direct costs | 18,830,357 | - | 2,721,960 | 21,552,317 | 17,798,385 |
| Allocated support costs | 5,908,396 | 1,734,196 | 3,207,663 | 10,850,255 | 9,822,733 |
| Teaching school: | | | | | |
| Direct costs | 58,569 | - | 34,982 | 93,551 | 77,555 |
| Allocated support costs | 16,858 | - | 11,795 | 28,653 | 17,718 |
| | 25,401,675 | 1,740,952 | 6,068,714 | 33,211,341 | 28,130,980 |
| 2018 total | 21,107,644 | 2,585,070 | 4,438,266 | 28,130,980 | |

| | 2019 | 2018 |
|---|-----------|-----------|
| | £ | £ |
| Outgoing resources for the year include: | | |
| Operating lease rentals | 62,860 | 56,189 |
| Depreciation | 1,450,907 | 1,865,538 |
| Amortisation | 8,834 | 29,899 |
| Fees payable to auditor for: | | |
| - audit | 45,000 | 40,000 |
| - audit related assurance | 26,518 | 7,380 |
| - other services | 10,170 | 8,064 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements (continued)

7 Charitable Activities

| | Total 2019 £ | Total 2018 £ |
|--|--------------------|--------------------|
| Direct costs - educational operations | 21,552,317 | 17,798,385 |
| Support costs - educational operations | 10,850,255 | 9,822,733 |
| Direct costs - teaching school | 93,551 | - |
| Support costs – teaching school | 28,653 | 95,273 |
| | <u>32,524,776</u> | <u>27,716,391</u> |

| Analysis of support costs | Educational Operations £ | Teaching School £ | Total 2019 £ | Total 2018 £ |
|----------------------------|--------------------------------|-------------------------|--------------------|--------------------|
| Support staff costs | 5,882,321 | 16,858 | 5,899,179 | 5,574,493 |
| Depreciation | 905,039 | - | 905,039 | 1,174,528 |
| Technology costs | 423,743 | - | 423,743 | 445,727 |
| Premises costs | 1,734,196 | - | 1,734,196 | 1,407,985 |
| Other support costs | 1,791,369 | 11,795 | 1,803,164 | 1,162,920 |
| Governance costs | 113,587 | - | 113,587 | 57,080 |
| Total support costs | <u>10,850,255</u> | <u>28,653</u> | <u>10,878,908</u> | <u>9,822,733</u> |

8 Staff

a. Staff costs

| | Total 2019 £ | Total 2018 £ |
|-----------------------------------|--------------------|--------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 18,046,274 | 14,788,703 |
| Social security costs | 1,611,872 | 1,393,332 |
| Pension costs | 4,666,721 | 4,018,589 |
| | <u>24,324,867</u> | <u>20,200,624</u> |

| | | |
|---------------------------|-------------------|-------------------|
| Agency staff costs | 980,207 | 807,784 |
| Staff restructuring costs | 96,601 | 96,225 |
| | <u>25,401,675</u> | <u>21,104,633</u> |

Staff restructuring costs comprise:

| | | |
|---------------------|---------------|---------------|
| Redundancy payments | - | 83,745 |
| Severance payments | 96,601 | 12,480 |
| | <u>96,601</u> | <u>96,225</u> |

b. Staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £58,910 (2018 - £1,930). Individually, the payments were £5,582, £30,000, £3,167, £2,661 and £17,500.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

8 Staff *(continued)*

c. Staff numbers

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

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 519 | 407 |
| Administration and support | 394 | 322 |
| Management | 20 | 20 |
| | <u>933</u> | <u>749</u> |

d. Higher paid staff

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

| | 2019 No. | 2018 No. |
|---------------------|-------------|-------------|
| £60,000 - £70,000 | 8 | 3 |
| £70,001 - £80,000 | 5 | 5 |
| £80,001 - £90,000 | 1 | - |
| £90,001 - £100,000 | 1 | 3 |
| £100,001 - £110,000 | 3 | 1 |
| £140,001 - £150,000 | - | 1 |
| £150,001 - £160,000 | <u>1</u> | <u>-</u> |

Eight of the above employees participated in the Teachers' Pension Scheme and the rest in the Local Government Pension Scheme.

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £867,310 (2018 - £785,507).

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

9 Central Services

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

- Educational support services
- Financial services
- Human resources
- IT
- Legal services

The Trust charges for core services as an equal share across all Academies, Tregonwell Academy has the equivalent of two Academies, as it is split across multiple campuses. Conversions in the year have not been charged for core services.

The actual amounts charged during the year were as follows:

| | Total 2019 | Total 2018 |
|----------------------|-----------------------|-----------------------|
| | £ | £ |
| Tregonwell Academy | 300,540 | 352,188 |
| Longpsee Academy | 151,980 | 146,508 |
| Queen's Park Academy | 151,980 | 219,714 |
| King's Park Academy | 151,980 | 276,156 |
| Manorside Academy | 151,980 | 171,144 |
| St Aldhelm's Academy | 151,980 | 168,958 |
| LeAF Studio | 151,980 | 133,081 |
| Elm Academy | 151,980 | 171,535 |
| Oak Academy | 151,980 | 337,642 |
| Bayside Academy | 151,980 | - |
| Kinson Academy | - | - |
| All Saints Academy | - | - |
| Wey Valley Academy | - | - |
| | 1,668,360 | 1,976,926 |

The Trust runs a system of amalgamating the GAG funding for all its academies to form one central fund, which is then used to meet the running costs of the academies within the trust, through a budgeting process.

10 Related Party Transactions - Trustees' remuneration and expenses

No Trustees were paid remuneration during the year.

During the year ended 31 August 2019, no travel and subsistence expenses were reimbursed or paid directly to any Trustee (2018 - £Nil). Other related party transactions are set out in note 27.

11 Trustees and officers insurance

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

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

12 Intangible fixed assets

Group

| | Computer Software £ | Total £ |
|--------------------------------|---------------------------|---------------|
| Cost | | |
| At 1 September 2018 | 47,495 | 47,495 |
| Transfer from existing Academy | - | - |
| At 31 August 2019 | 47,495 | 47,495 |
| Amortisation | | |
| At 1 September 2018 | 38,661 | 38,661 |
| Charged in year | 8,834 | 8,834 |
| At 31 August 2019 | 47,495 | 47,495 |
| Net Book Values | | |
| At 31 August 2018 | 8,834 | 8,834 |
| At 31 August 2019 | - | - |

The trading subsidiary does not hold any assets, therefore the group and charity position are the same.

13 Tangible fixed assets

Group

| | Leasehold Land and Buildings £ | Freehold Land and Buildings £ | Fixtures, Fittings and Equipment £ | IT and Computer Equipment £ | Motor Vehicles £ | Total £ |
|--------------------------------|---|--|--|--------------------------------------|------------------------|-------------------|
| Cost | | | | | | |
| At 1 September 2018 | 45,209,414 | 19,803,137 | 1,343,723 | 1,383,377 | 137,257 | 67,876,908 |
| Movement | - | - | - | (1,037) | - | (1,037) |
| Transfer from local authority | 2,330,000 | - | - | - | - | 2,330,000 |
| Transfer from existing Academy | 21,911,544 | - | 10,621 | 12,778 | 40,227 | 21,975,170 |
| Additions | 610,466 | 243,372 | 175,116 | 97,443 | 35,000 | 1,161,397 |
| At 31 August 2019 | 70,061,424 | 20,046,509 | 1,529,460 | 1,492,561 | 212,484 | 93,342,438 |
| Depreciation | | | | | | |
| At 1 September 2018 | 3,374,371 | 367,785 | 809,754 | 1,318,225 | 57,988 | 5,928,123 |
| Movement | - | - | 47,825 | (48,862) | - | (1,037) |
| Charged in year | 887,379 | 339,045 | 117,338 | 78,823 | 28,322 | 1,450,907 |
| At 31 August 2019 | 4,261,750 | 706,830 | 974,917 | 1,348,186 | 86,310 | 7,377,993 |
| Net Book Values | | | | | | |
| At 31 August 2018 | 41,835,043 | 19,435,352 | 533,969 | 65,152 | 79,269 | 61,948,785 |
| At 31 August 2019 | 65,799,674 | 19,339,679 | 554,543 | 144,375 | 126,174 | 85,964,445 |

The trading subsidiary does not hold any assets, therefore the group and charity position are the same.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

14 Debtors

| | Group | | Academy Trust | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 406,445 | 675,473 | 387,044 | 622,252 |
| VAT recoverable | 582,126 | 262,934 | 564,842 | 256,576 |
| Other debtors | 8,856 | 14,293 | 558,875 | 92,537 |
| Prepayments and accrued income | 1,004,215 | 819,865 | 997,857 | 819,861 |
| | <u>2,001,642</u> | <u>1,772,565</u> | <u>2,508,618</u> | <u>1,791,226</u> |

15 Creditors: amounts falling due within one year

| | Group | | Academy Trust | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade creditors | 395,178 | 590,462 | 395,178 | 587,620 |
| Taxation and Social Security | 999,263 | 674,951 | 999,263 | 674,951 |
| ESFA creditor - loan | 670,000 | 30,000 | 670,000 | 30,000 |
| Other creditors | 79,262 | 70,862 | 79,240 | 69,903 |
| Accruals and deferred income | 712,107 | 378,425 | 699,255 | 353,286 |
| | <u>2,855,810</u> | <u>1,744,700</u> | <u>2,842,936</u> | <u>1,715,760</u> |

| | Group | | Academy Trust | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 September 2018 | 222,143 | 140,884 | 222,143 | 140,884 |
| Released from previous years | (222,143) | (140,884) | (222,143) | (140,884) |
| Resources deferred in the year | 291,907 | 222,143 | 291,907 | 222,143 |
| Deferred income at 31 August 2019 | <u>291,907</u> | <u>222,143</u> | <u>291,907</u> | <u>222,143</u> |

Deferred income arises from grants paid in advance, covering the first 7 months of 2019/2020. These include Universal Infant Free School Meals, Devolved Formula Capital and Rates Relief.

Amounts falling due within one year include £670,000 (2018 - £30,000) due to the ESFA, relating to St Aldhelm's Academy, in respect of deficit funding which was provided. This is a concessionary loan from the ESFA, which is being repaid by monthly instalments from September 2017, ending in August 2021 and it is interest free.

16 Creditors: amounts falling due in more than one year

| | Group | | Academy Trust | |
|--------------------|----------------|------------------|----------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Concessionary Loan | <u>500,000</u> | <u>1,170,000</u> | <u>500,000</u> | <u>1,170,000</u> |

Amounts falling due after one year include £500,000 (2018 - £1,170,000) due to the ESFA, relating to St Aldhelm's Academy, in respect of deficit funding which was provided. This is a concessionary loan from the ESFA, which is being repaid by monthly instalments from September 2017, ending in August 2021 and it is interest free.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

17 Funds

| | Balance at 1 Sep 18 £ | Incoming Resources £ | Resources Expended £ | Gains, losses and transfers £ | Balance at 31 Aug 19 £ |
|--|-----------------------------|----------------------------|----------------------------|-------------------------------------|------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,051,031 | 19,184,406 | (17,978,376) | - | 3,257,061 |
| Start up grant | 9,065 | 129,750 | (130,109) | - | 8,706 |
| Other DfE/ESFA grants | (1,301) | 2,989,643 | (2,680,214) | (25,974) | 282,154 |
| Local authority grants | - | 4,227,468 | (4,227,468) | - | - |
| Other income from educational operations | 10,883 | 64,476 | (81,347) | - | (5,988) |
| Teaching school | - | 81,050 | (81,050) | - | - |
| Pension reserve (note 26) | (13,743,000) | (5,426,000) | (2,157,000) | (3,424,000) | (24,750,000) |
| Transfer on conversion | - | 22,306 | - | - | 22,306 |
| Sponsored Academy deficit | | | | | |
| - GAG | (2,600,096) | 2,700,386 | (2,932,068) | (30,000) | (2,861,778) |
| - Concessionary loan | (1,200,000) | - | - | 30,000 | (1,170,000) |
| | (15,473,418) | 23,973,485 | (30,267,632) | (3,449,974) | (25,217,539) |
| Restricted fixed asset funds | | | | | |
| Fixed Asset Fund | 37,750,794 | - | (1,459,741) | 49,673,392 | 85,964,445 |
| Transfer on conversion | 24,206,825 | 24,305,170 | - | (48,511,995) | - |
| DfE/ESFA capital grants | 1,072,249 | 1,172,575 | - | (1,019,221) | 1,225,603 |
| LA capital grants | 1,927 | 116,202 | - | (116,202) | 1,927 |
| Capital expenditure from GAG | 2,114 | - | - | - | 2,114 |
| | 63,033,909 | 25,593,947 | (1,459,741) | 25,974 | 87,194,089 |
| Total restricted funds | 47,560,491 | 49,567,432 | (31,727,373) | (3,424,000) | 61,976,550 |
| Total unrestricted funds | 1,426,260 | 1,807,151 | (1,483,968) | - | 1,749,443 |
| Total funds | 48,986,751 | 51,374,583 | (33,211,341) | (3,424,000) | 63,725,993 |

Unrestricted Fund

This includes the trading subsidiary balance of £36,761. The trading subsidiary income and expenditure is all treated as unrestricted.

General Annual Grant (GAG) - The General Annual Grant funding from the Education and Skills Funding Agency has been used in line with the funding agreement for the running of the Trust, including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Start Up Grant - This funding relates to St Aldhelm's and the conversion of Wey Valley and All Saints to the Trust. The remaining balance represents unspent funds in relation to the Wey Valley and All Saints conversion and is due to be spent in 2019/2020.

Other DfE/ ESFA grants - Other Department for Education and Education Funding Agency Grants received have included Pupil Premium Grant, Year 7 catch up grant, universal infant free school meals and the PE grant, all of which were used for direct impact for the pupils targeted by these grants. The Trust also received grants for insurance, rates and St Aldhelm's joint use agreement.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

17 Funds *(continued)*

Pupil Premium - Funding from the Education and Skills Funding Agency to contribute to the additional educational needs of children who qualify. The purpose of this grant is to close the educational achievement gap between pupils identified under pupil premium and other pupils. This grant was spent on additional curriculum support services. An annual statement of how each of our Academies has utilised their grant is published on our website.

Local Authority Grants - Funding from the local authority includes high needs top up payments for pupils in special schools, purchase of bespoke provision and pupil premium funding for looked after pupils. This funding was spent on the full range of education provision for these pupils.

Other income from educational operations - This includes funding received from local authorities for provision of educational services either to pupils on the Trust's site or in their own schools for outreach services. This funding is spent on direct staff costs, equipment support staff and overheads. This also includes income for MAT development where AAT have supported another Trust throughout the year.

Teaching school - Funding for the teaching school originates both from a grant from the National College of Teaching and Learning and from income generated by the activities of the teaching school.

Transfer on conversion - This represents the split of restricted funds on conversion of Wey Valley and All Saints, this represents GAG funding and has therefore been transferred to GAG.

Sponsored Academy Deficit - This represents the carried forward and ongoing deficit within GAG and concessionary loan with the ESFA at St Aldhelm's Academy. See Academies in deficit below.

DfE/ESFA capital grants - Grants for both devolved formula capital, condition improvement fund bids and school condition allocation are represented, with the balance at year end being the unspent proportion of the condition improvement fund bids and school condition allocation fund where work crosses the academic year.

LA Capital Grants - The movement in year relates to roof works at Bayside Academy where the local authority funded the roof replacement on conversion.

Transfers between funds - Transfers between funds represents the movement of capital grants and unrestricted funds into the restricted fixed asset fund for capital additions in the year.

| Analysis of Academies by fund balance | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Ambitions Academies Trust | 789,159 | 357,014 |
| Tregonwell Academy | (293,614) | (629,686) |
| Queen's Park Academy | 1,172,243 | 978,552 |
| Longspee Academy | 740,810 | 571,908 |
| King's Park Academy | 1,187,257 | 800,395 |
| Manorside Academy | 1,468 | (97,070) |
| St Aldhelm's Academy | (3,733,481) | (3,629,642) |
| LeAF Academy | (1,069,978) | (1,103,582) |
| Elm Academy | 1,809,312 | 1,476,555 |
| Oak Academy | 77,279 | 607,421 |
| Bayside Academy | 335,748 | 214,160 |
| Kinson Academy | 133,408 | - |
| All Saints Academy | 198,886 | - |
| Wey Valley Academy | (103,354) | - |
| Total before fixed assets and pension reserve | 1,245,143 | (453,975) |
| Trading subsidiary | 36,761 | 149,817 |
| Pension reserve | (24,750,000) | (13,743,000) |
| Restricted fixed asset fund | 87,194,089 | 63,033,909 |
| Total | 63,725,993 | 48,986,751 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

17 Funds *(continued)*

Academies in Deficits

The Trust as a whole is now carrying a surplus of £1,281,904 on amalgamated unrestricted and restricted general funds (including the trading subsidiary contribution but excluding fixed assets and pension reserve), however some Academies are still carrying a deficit. The Trust is taking the following action to return these funds to surplus:

St Aldhelm's Academy is carrying a net deficit of £3,733,481 on these funds. Of this deficit £1,200,000 relates to a specific arrangement between the Trust and the ESFA which has an agreed repayment plan to the ESFA with instalments to run from 2017/18 to 2020/21. The Trust will ensure there are sufficient free reserves to cover the repayment plan by rigorously matching income and resources on an on-going basis and limiting capital investment. The rate at which the Academy is making a deficit has been significantly reduced this year, pupil numbers continue to increase and are forecast to reach a level at which the Academy makes a surplus from 2020.

Tregonwell Academy is carrying a net deficit of £293,614 a reduction of £336k in the year. This is related to the historic disparity on the requirements of the high need pupils and the associated funding from the local authority. The Academy continues to show an in year surplus further reducing the deficit.

LeAF Studio is carrying a deficit of £103,354 this largely represents a historic deficit that was transferred into the Trust in September 2017. The Academy has been able to return a surplus of £33k in the year and the Trust is budgeting that this trend will continue.

Wey Valley Academy is carrying a deficit of £1,893,948, this largely represents a historic deficit that was transferred into the Trust. In 2019/2020 the Trust is budgeting a surplus for Wey Valley that will mean that this deficit is cleared.

Analysis of Academies by cost

| | Teaching and Educational Support Staff Costs | Other Support Costs | Educational Supplies | Other Costs (excluding Depreciation) | Total 2019 | Total 2018 |
|---------------------------|---|---------------------------|-------------------------|--|-------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| Ambitions Academies Trust | 3,248,059 | 642,794 | 34,982 | 312,330 | 4,238,165 | 1,970,633 |
| Tregonwell Academy | 3,407,440 | 127,325 | 215,192 | 180,502 | 3,930,459 | 3,903,998 |
| Queen's Park Academy | 1,449,905 | 102,029 | 150,381 | 99,060 | 1,801,375 | 1,939,137 |
| Longspee Academy | 1,142,130 | 45,463 | 33,331 | 45,738 | 1,266,662 | 1,360,857 |
| King's Park Academy | 1,998,414 | 181,478 | 160,330 | 204,872 | 2,545,094 | 2,684,435 |
| Manorside Academy | 1,054,434 | 145,216 | 56,423 | 92,674 | 1,348,747 | 1,378,374 |
| St Aldhelm's Academy | 2,567,494 | 159,695 | 232,941 | 388,031 | 3,348,161 | 3,509,283 |
| LeAF Studio | 1,374,230 | 36,525 | 881,461 | 137,900 | 2,430,116 | 1,857,297 |
| Elm Academy | 1,701,966 | 109,896 | 84,277 | 75,451 | 1,971,590 | 1,999,885 |
| Oak Academy | 2,979,726 | 161,268 | 221,807 | 427,289 | 3,790,090 | 4,594,679 |
| Bayside Academy | 1,182,017 | 72,712 | 65,731 | 100,090 | 1,420,550 | 623,415 |
| Kinson Academy | 784,692 | 66,245 | 23,320 | 87,591 | 961,848 | - |
| All Saints | 945,861 | 56,634 | 34,431 | 54,197 | 1,091,123 | - |
| Wey Valley Academy | 977,814 | 75,039 | 45,622 | 82,721 | 1,181,196 | - |
| The Trust | 24,814,182 | 1,982,319 | 2,240,229 | 2,288,446 | 31,325,176 | 25,821,993 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

17 Funds *(continued)*

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

| | Balance at 1 Sep 2017 £ | Prior year adjustment £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 Aug 2018 £ |
|--|-------------------------------|-------------------------------|-------------|------------------|--|-----------------------------------|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 346,993 | - | 16,058,587 | (14,675,132) | 320,583 | 2,051,031 |
| Start up grant | - | - | 84,288 | (75,223) | - | 9,065 |
| Other DfE/ESFA grants | 1,362 | - | 1,886,690 | (1,889,353) | - | (1,301) |
| Local authority grants | - | - | 3,812,810 | (3,812,810) | - | - |
| Outreach from other schools (other income from educational operations on previous) | - | - | 61,151 | (50,268) | - | 10,883 |
| Teaching school | 77,336 | - | 139,930 | (95,273) | (121,993) | - |
| Other income | - | - | - | - | - | - |
| Pension reserve | (9,390,000) | - | (5,792,000) | (1,666,000) | 3,105,000 | (13,743,000) |
| Transfer on conversion | - | - | 198,590 | - | (198,590) | - |
| Sponsored Academy deficit | | | | | | |
| - GAG | (1,869,004) | - | 2,284,005 | (2,965,097) | (50,000) | (2,600,096) |
| - Concessionary loan | (1,250,000) | - | - | - | 50,000 | (1,200,000) |
| | (12,083,313) | - | 18,734,051 | (25,229,156) | 3,105,000 | (15,473,418) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 38,770,001 | - | - | (1,894,399) | 875,192 | 37,750,794 |
| Transfer on conversion | - | - | 24,385,390 | - | (178,565) | 24,206,825 |
| Dfe / ESFA capital grants | 424,867 | - | 1,240,473 | - | (593,091) | 1,072,249 |
| LA capital grants | 1,927 | - | 80,706 | - | (80,706) | 1,927 |
| Capital expenditure from GAG | - | - | - | - | 2,114 | 2,114 |
| | 39,196,795 | - | 25,706,569 | (1,894,399) | 24,944 | 63,033,909 |
| Total restricted funds | 27,113,482 | - | 44,440,620 | (27,123,555) | 3,129,944 | 47,560,491 |
| Total unrestricted funds | 511,685 | - | 1,946,944 | (1,007,425) | (24,944) | 1,426,260 |
| Total funds | 27,625,167 | - | 46,387,564 | (28,130,980) | 3,105,000 | 48,986,751 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

18 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2019 £ |
|---------------------------------------|----------------------------|----------------------------------|---|--------------------------|
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | - | - | 85,964,445 | 85,964,445 |
| Current assets | 1,749,443 | 2,888,271 | 1,229,644 | 5,867,358 |
| Current liabilities | - | (2,855,810) | - | (2,855,810) |
| Non current liability | - | (500,000) | - | (500,000) |
| Pension scheme liability | - | (24,750,000) | - | (24,750,000) |
| Total net assets/(liabilities) | 1,749,443 | (25,217,539) | 87,194,089 | 63,725,993 |

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2018 £ |
|---------------------------------------|----------------------------|----------------------------------|---|--------------------------|
| Intangible fixed assets | - | - | 8,834 | 8,834 |
| Tangible fixed assets | - | - | 61,948,785 | 61,948,785 |
| Current assets | 1,426,260 | 1,184,282 | 1,076,290 | 3,686,832 |
| Current liabilities | - | (1,744,700) | - | (1,744,700) |
| Non current liability | - | (1,170,000) | - | (1,170,000) |
| Pension scheme liability | - | (13,743,000) | - | (13,743,000) |
| Total net assets/(liabilities) | 1,426,260 | (15,473,418) | 63,033,909 | 48,986,751 |

19 Capital commitments

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Contracted for, but not provided in the Financial Statements | - | 618,918 |

20 Commitments under operating leases

At 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Amounts due within one year | 92,283 | 50,182 |
| Amounts due between one and five years | 161,324 | 94,003 |
| Amounts due after five years | 15,083 | - |
| | 268,690 | 144,185 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

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

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | 18,163,242 | 18,256,584 |
| Adjusted for: | | |
| Amortisation | 8,834 | 29,899 |
| Depreciation charges | 1,450,907 | 1,865,538 |
| Interest receivable | (1,829) | (990) |
| Capital grants from DfE and other capital income | (1,288,777) | (1,321,179) |
| Capital income on transferred Academies | (24,305,170) | (24,385,390) |
| Unrestricted and restricted funds transferred on conversion | (33,100) | (536,905) |
| Pension liability transferred on conversion | 5,426,000 | 5,792,000 |
| Cash transferred on conversion to an Academy Trust | 261,201 | 901,929 |
| Defined benefit pension scheme cost | 1,762,000 | 1,293,000 |
| Defined benefit pension scheme finance cost | 395,000 | 373,000 |
| Debtors / creditors transferred on conversion | (228,102) | (187,499) |
| (Increase) / decrease in debtors | (229,077) | (1,232,920) |
| Increase / (decrease) in creditors | 1,141,110 | 570,572 |
| Decrease in non-current creditors | (670,000) | (30,000) |
| Net cash used in Operating Activities | 1,852,239 | 1,387,639 |

22 Cashflows from financing activities

| | 2019 £ | 2018 £ |
|--|-----------------|-----------|
| Repayment of borrowings | (30,000) | - |
| Cash inflows from new borrowing | - | - |
| Net cash provided by/(used in) financing activities | (30,000) | - |

23 Cashflows from investing activities

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Dividends, interest and rents from investments | 1,829 | 990 |
| Purchase of intangible fixed assets | - | - |
| Purchase of tangible fixed assets | (1,161,396) | (875,191) |
| Capital grants from DfE/ESFA | 1,288,777 | 1,321,179 |
| Net cash inflow from returns on investment and servicing of finance | 129,210 | 446,978 |

24 Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 3,865,716 | 1,914,267 |
| Total cash and cash equivalents | 3,865,716 | 1,914,267 |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

25 Members Liability

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

26 Pension and similar obligations

The 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 Dorset County Pension Fund. Both are multi-employer defined benefit schemes.

As described above, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the Balance Sheet date.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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; and
- 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%.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

26 Pension and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme *(continued)*

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £1,612,327 (2018 - £1,399,116).

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 an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,591,000 (2018 - £1,287,000), of which employer's contributions totalled £1,213,000 (2018 - £982,000) and employees' contributions totalled £378,000. (2018 - £305,000). The agreed contribution rates for future years are 18.8% for employers and 5.5% to 8.5% 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 2019 | At 31 August 2018 |
|--|-------------------|-------------------|
| Rate of increase in salaries | 3.70% | 3.80% |
| Rate of increase for pensions in payment/inflation | 2.20% | 2.30% |
| Discount rate for scheme liabilities | 1.90% | 2.65% |
| Inflation assumption (CPI) | 2.20% | 2.30% |
| Commutation of pensions to lump sums | <u>50.00%</u> | <u>50.00%</u> |

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 2019 | At 31 August 2018 |
|-----------------------------|-------------------|-------------------|
| <i>Retiring today</i> | | |
| Males | 22.9 | 24.0 |
| Females | <u>24.8</u> | <u>26.1</u> |
| <i>Retiring in 20 years</i> | | |
| Males | 24.6 | 26.3 |
| Females | <u>26.6</u> | <u>28.5</u> |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

26 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

| | 2019 | 2018 |
|--|-------------|-----------|
| | £ | £ |
| Sensitivity analysis | | |
| Discount rate +0.1% | (1,133,000) | (646,000) |
| Discount rate -0.1% | 1,165,000 | 665,000 |
| Mortality assumption - 1 year increase | 1,512,000 | 811,000 |
| Mortality assumption - 1 year decrease | (1,460,000) | (786,000) |
| CPI rate +0.1% | 1,025,000 | 593,000 |
| CPI rate -0.1% | (996,000) | (576,000) |

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

| | Fair value at 31 August 2019 | Fair value at 31 August 2018 |
|------------------------------|---------------------------------|---------------------------------|
| | £ | £ |
| Equities | 9,445,000 | 6,076,000 |
| Liability driven investment | 2,423,000 | 1,395,000 |
| Cash | 481,000 | 104,000 |
| Other Bonds | 1,318,000 | 769,000 |
| Diversified Growth Fund | 1,080,000 | 666,000 |
| Property | 1,930,000 | 1,129,000 |
| Infrastructure | 975,000 | 474,000 |
| Multi Asset Credit | 849,000 | 515,000 |
| Total market value of assets | <u>18,501,000</u> | <u>11,128,000</u> |

The actual return on scheme assets was £1,281,000 (2018 - £244,000)

Amount recognised in the statement of financial activities

| | Total 2019 | Total 2018 |
|---|------------------|------------------|
| | £ | £ |
| Current service cost (net of employee contributions) | 8,392,000 | 2,254,000 |
| Past service cost | - | - |
| Interest income | - | - |
| Net interest cost | 395,000 | 373,000 |
| Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement | - | - |
| Admin expenses | 9,000 | 7,000 |
| Total amount recognised in the SOFA | <u>8,796,000</u> | <u>2,634,000</u> |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

26 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

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

| | Total 2019 | Total 2018 |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September 2018 | 24,871,000 | 15,701,000 |
| Conversion of Academy Trusts: | | |
| Transferred in on existing academies joining the Academy Trust | 7,566,000 | 7,981,000 |
| Transferred in on local authority joining the Academy Trust | 2,553,000 | 1,235,000 |
| Current service cost | 2,460,000 | 2,254,000 |
| Interest cost | 745,000 | 631,000 |
| Employee contributions | 378,000 | 305,000 |
| Actuarial gain | 4,355,000 | (3,105,000) |
| Benefits paid | (180,000) | (128,000) |
| Losses or gains on curtailments | - | - |
| Past service cost | 506,000 | - |
| Unfunded pension payments | (3,000) | (3,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | - |
| At 31 August 2019 | 43,251,000 | 24,871,000 |

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

| | Total 2019 | Total 2018 |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September 2018 | 11,128,000 | 6,311,000 |
| Conversion of Academy Trusts: | | |
| Transferred in on existing academies joining the Academy Trust | 3,526,000 | 2,881,000 |
| Transferred in on local authority joining the Academy Trust | 1,167,000 | 543,000 |
| Interest income | 350,000 | 258,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 931,000 | (14,000) |
| Actuarial gain/(loss) | - | - |
| Employer contributions | 1,213,000 | 982,000 |
| Employee contributions | 378,000 | 305,000 |
| Benefits paid | (183,000) | (131,000) |
| Admin fees | (9,000) | (7,000) |
| Plan introductions, benefit changes, curtailments and settlements | - | - |
| At 31 August 2019 | 18,501,000 | 11,128,000 |

27 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

During the year facilities and services were provided to the trading Subsidiary Ambers Group Limited at nil cost.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

28 Agency arrangements

The Trust distributed 16-19 bursary funds to students as an agent for the ESFA during the prior year. In the accounting period ending 31 August 2019 the Academy Trust received £29,776 and distributed £29,776 from the fund (2018 - £48,033). Unspent bursary funds will be returned to the ESFA in due course in consultation with them.

29 Transfer of local authority maintained school into the Academy Trust

On 1 June 2019 All Saints Church of England School converted into Ambitions Academies Trust under the Academies Act 2010 and all operations, assets and liabilities were transferred to the Trust from Weymouth Council at £361.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

| | Unrestricted | Restricted General Funds | Restricted Fixed Asset Funds | Total |
|-------------------------------------|--------------|-----------------------------|------------------------------------|----------------|
| | £ | £ | £ | £ |
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | | | | |
| Freehold land and buildings | - | - | - | - |
| Leasehold land and buildings | - | - | 2,330,000 | 2,330,000 |
| Other tangible fixed assets | - | - | - | - |
| Current assets | | | | |
| Stock | - | - | - | - |
| Debtors due in less than one year | - | - | - | - |
| Cash in hand and at bank | 361 | - | - | 361 |
| Liabilities | | | | |
| Creditors due in less than one year | - | - | - | - |
| Creditors due in more than one year | - | - | - | - |
| Pensions | | | | |
| LGPS deficit | - | (1,386,000) | - | (1,386,000) |
| Total net assets | <u>361</u> | <u>(1,386,000)</u> | <u>2,330,000</u> | <u>944,361</u> |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

30 Transfer of existing Academies into the Academy Trust

On 1 January 2019 Kinson Academy transferred to Ambitions Academy Trust. All operations, assets and liabilities were transferred into the Trust at fair value at that date.

Transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from existing academy Trust on conversion.

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

| | Value reported by transferring Trust | Fair Value Adjustment | Transfer in recognised |
|---------------------------------------|---|--------------------------|---------------------------|
| | £ | £ | £ |
| Intangible fixed assets | - | - | - |
| Tangible fixed assets | | | |
| Freehold land and buildings | - | - | - |
| Leasehold land and buildings | 3,325,668 | - | 3,325,668 |
| Furniture and equipment | 5,694 | - | 5,694 |
| Computer equipment | 967 | - | 967 |
| Motor vehicles | - | - | - |
| Current assets | | | |
| Stock | - | - | - |
| Debtors due in less than one year | 102,531 | - | 102,531 |
| Cash in hand and at bank | 72,167 | - | 72,167 |
| Liabilities | | | |
| Creditors due in less than one year | - | - | - |
| Creditors due in more than one year | (131,150) | - | (131,150) |
| Pensions | | | |
| Pensions - pension scheme assets | - | - | - |
| Pensions - pension scheme liabilities | (739,000) | - | (739,000) |
| Total net assets | <u>2,636,877</u> | <u>-</u> | <u>2,636,877</u> |

The lease for land and buildings is over the remaining lease period, 121 years and rent is a peppercorn.

On 1 June 2019 Wey Valley Academy transferred to Ambitions Academy Trust. All operations, assets and liabilities were transferred into the Trust at fair value at that date.

Transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from existing Academy Trust on conversion.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

30 Transfer of existing Academies into the Academy Trust

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

| | Value reported by transferring Trust | Fair Value Adjustment | Transfer in recognised |
|---------------------------------------|---|--------------------------|---------------------------|
| | £ | £ | £ |
| Intangible fixed assets | - | - | - |
| Tangible fixed assets | | | |
| Freehold land and buildings | - | - | - |
| Leasehold land and buildings | 18,585,875 | - | 18,585,875 |
| Furniture and equipment | 4,927 | - | 4,927 |
| Computer equipment | 11,811 | - | 11,811 |
| Motor vehicles | 40,227 | - | 40,227 |
| Current assets | | | |
| Stock | - | - | - |
| Debtors due in less than one year | 56,302 | - | 56,302 |
| Cash in hand and at bank | 188,673 | - | 188,673 |
| Liabilities | | | |
| Creditors due in less than one year | (255,784) | - | (255,784) |
| Creditors due in more than one year | - | - | - |
| Pensions | | | |
| Pensions - pension scheme assets | - | - | - |
| Pensions - pension scheme liabilities | (3,301,000) | - | (3,301,000) |
| Total net assets | <u>15,331,031</u> | <u>-</u> | <u>15,331,031</u> |

The lease for land and buildings is over the remaining lease period, 118 years and rent is a peppercorn.

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

31 Teaching School trading account

| | 2018/19 £000 | 2018/19 £000 | 2018/19 £000 | 2017/18 £000 | 2017/18 £000 | 2017/18 £000 |
|---|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------|
| Income | | | | | | |
| Direct Income | | | | | | |
| Other Income | | 194 | | | 172 | |
| Other Income | | | | | | |
| Fundraising and other trading activities | | - | | | - | |
| | | <u> </u> | | | <u> </u> | |
| Total Income | | | 194 | | | 172 |
| Expenditure | | | | | | |
| Direct Costs | | | | | | |
| Direct staff costs | 59 | | | 46 | | |
| Staff development | - | | | - | | |
| Other direct costs | <u>35</u> | | | <u>38</u> | | |
| Total direct costs | | 94 | | | 84 | |
| Other costs | | | | | | |
| Support staff costs | 17 | | | 9 | | |
| Depreciation | - | | | - | | |
| Technology costs | - | | | - | | |
| Recruitment and support | - | | | - | | |
| Security and support | - | | | - | | |
| Other support costs | <u>12</u> | | | <u>3</u> | | |
| Share of governance costs | - | | | - | | |
| Total other costs | | <u>29</u> | | | <u>12</u> | |
| Total Expenditure | | | (123) | | | (96) |
| Transfers between funds excluding depreciation | | | <u>-</u> | | | <u>(122)</u> |
| Surplus/ (Deficit) from all sources | | | 71 | | | (46) |
| Teaching School balances at 1 September 2018 | | | <u>32</u> | | | <u>78</u> |
| Teaching School balances at 31 August 2019 | | | <u>103</u> | | | <u>32</u> |

Ambitions Academies Trust - Year ended 31 August 2019

Notes to the Financial Statements *(continued)*

31 Trading Subsidiary

The trading subsidiary of Ambitions Academies Trust is Ambers Group Limited (Company number 10861330). The subsidiary is limited by guarantee and consolidated under the basis of common control within the Financial Statements of Ambitions Academies Trust.

The statement of financial position of the trading subsidiary is shown below:

| | 2019 | 2018 |
|------------------|-------------|-------------|
| | £ | £ |
| Assets | 599,654 | 256,997 |
| Liabilities | (562,897) | (107,182) |
| Retained profits | 36,757 | 148,815 |

The results for the year ended 31 August 2019 of the trading subsidiary are shown below:

| | 2019 | 2018 |
|-------------------------|---------------|----------------|
| | £ | £ |
| Income | 723,323 | 564,404 |
| Cost of sales | (630,561) | (396,329) |
| Administrative expenses | (56,005) | (18,260) |
| Surplus retained | <u>36,757</u> | <u>149,815</u> |

Income is generated from the provision of nurseries, wrap around care and hire of facilities based at the Academy sites within the Trust.