

Ambitions Academies Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2017

Company Registration Number:

07977940 (England and Wales)

COMPANIES HOUSE

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COMPANIES HOUSE

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Reference and Administrative Details

Members

Mrs Pat Marchiori
Mr Richard Smith
Mrs Marilyn Bramford

Trustees

Mrs Pat Marchiori (Chair of Trustees) *#
Mr Richard Smith #
Mrs Marilyn Bramford*
Mr Phillip Minns (resigned 08/12/16)
Mrs Caroline Sard #
Mr Nigel Smith* (resigned 30/03/17)
Mrs Berni Catling *#
Mr Jonathan Badger*
Miss Louise Parker *# (appointed 15/09/16)
Mr Ted Taylor* (appointed 13/09/17)

*Membership of Finance Committee

Membership of Audit & Risk Management Committee

Company Secretary

Sherri Hawkins

Senior Management Team:

- Chief Executive Officer and Accounting Officer
Phillip Minns (resigned 08/12/16)
Sherri Hawkins (appointed 08/12/16 – resigned 15/12/16)
Sian Thomas (appointed interim 16/12/16, permanent 09/05/17)
Nicki Morton
Alex Prout
Paul Holman
- Director of Special Education
Sherri Hawkins
- Director of Primary Education
Verity McAuley (resigned 04/06/17)
Michael Reid (appointed interim 05/06/17)
- Director of Outcomes and Performance Improvement
Ian Hawkins (appointed 01/04/17)
- Business Director
- Finance Director/Chief Financial Officer
- Estates Director

Company Name

Ambitions Academies Trust

Principal and Registered Office

Evering Avenue
Parkstone
Poole
BH12 4JG

Company Registration Number

07977940 (England and Wales)

Ambitions Academies Trust - Year ended 31 August 2017

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

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

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 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust was incorporated on 6 March 2012. These financial statements consolidate the figures for Tregonwell Academy, Queen's Park Academy and Longspee Academy from 1 September 2014, as well as King's Park Academy which converted to an Academy on 1 March 2015, Manorside Academy which converted to an Academy on 1 April 2015 and St Aldhelm's Academy which transferred to the Trust on 1 June 2015. All academies are reporting a full year of accounts in this period.

During the year the Trust formed a subsidiary company, Ambers Group Ltd, to cater for the wrap around care including nursery, breakfast and afterschool clubs for pupils within the Trust's Academies.

As at 31 August 2017, the Trust comprised of six Academies, Ambitions Teaching School and Ambers Group Ltd.

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, the Trust is actively looking to add a ninth Trustee. Trustees serve a term of office of four years. New Trustees and Academy Advisory Committee (AAC) members are appointed by the Board of Trustees. When new Trustees or AAC members are to be appointed, the Board or the Academy Advisory Committee approves at that 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.

Trustees' Report *(continued)*

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. Associate 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 attainment. The CEO is the accounting officer of the Trust

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 Pay and Remuneration 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 Pay and Remuneration 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.

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. The connected traded subsidiary had not commenced activities during the period.

Objectives and Activities

Objects and Aims

The Ambitions Academies Trust 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, 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

For the period covered by these financial statements the Trust comprises of six Academies: Tregonwell Academy, Queen's Park Academy, Longspee Academy, King's Park Academy, Manorside Academy and St Aldhelm's Academy. The Trust also encompasses Ambitions Teaching School and a subsidiary company Ambers Group Ltd.

Trustees' Report *(continued)*

Specialist Provision

The Trust provides specialist education through two of its academies, both of which are Outstanding.

Tregonwell Academy is an outstanding specialist provision. It caters for statemented and purchased place pupils across Bournemouth, Poole, Hampshire and Dorset who have a range of needs, together with offering an alternative provision for pupils and students that are excluded or at risk of exclusion from mainstream schools. Tregonwell Academy is based in Bournemouth and delivers provision across three sites; the Petersfield Campus, the Nigel Bowes Campus and the Throop Learning Centre.

Tregonwell Academy's Petersfield Campus for secondary school pupils and Nigel Bowes Campus for primary pupils provide a personalised education tailored to the individual needs of the pupils. The Throop Learning Centre provides a student focused learning environment for those students who find themselves unable to access their schooling in their mainstream school at particular times in their education for a variety of reasons. It is a small unit which aims to promote the nurturing environment that these students require at these times in their lives. These needs could include illness and recovery time, an operation which causes a safety issue in their mainstream school, anxiety, medical condition or pregnancy.

Longspee Academy is a outstanding specialist provision in Poole, working with children and young people who have social, emotional and mental health issues. These issues have manifested themselves in extremely challenging behaviour which cannot be supported within mainstream settings. Longspee Academy provides education for children across Bournemouth, Poole, Hampshire and Dorset from Reception to Year 8.

Primary and Early Years Provision

The Trust has three academies in the primary sector

Queen's Park Academy is a Junior School with approximately 510 pupils on roll. Queen's Park Academy is Outstanding and is based in Bournemouth.

Manorside Academy is a two-form entry school with approximately 280 pupils on roll. Its Poole based in the Rossmore and Alderney area, close to our secondary school.

King's Park Academy is a Primary School providing education to approximately 615 pupils in Bournemouth. The school provides for children mainly from the local areas of Boscombe and of Littledown. King's Park also provides Early Years Provision.

Secondary Provision

St Aldhelm's Academy continues to be a Good secondary academy with approximately 390 pupils on roll with capacity for 900. Pupil numbers continue to increase year on year.

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 Charitable Company's aims are demonstrably to the benefit of the public. During the year the Trust has supported two other Academy Trust's in the local area. The Director of Outcomes and Performance Improvement worked alongside LeAF Academy Trust as the Executive Head. On the request of the IAB at Parkfield School the Trust provided support through the Director of Primary to the Academy during a difficult transition period. The Trust's Estates Director also supported Parkfield School during the building of its new facilities.

Trustees' Report *(continued)*

Strategic Report

Achievements and Performance

2016-17 has been another successful year for all of the sectors within the Trust.

All schools across the primary sector achieved impressive improvements in academic outcomes for 2016-17. With the backdrop of realignment of national standards, the continued positive progress measures almost across the board, highlight the successes the schools are providing in supporting the aspirations and the onward progression for learners in their communities.

The journey of Key Stage 4 results for St Aldhelm's over the past two years has been very encouraging. Number of pupils achieving a standard pass in Basics (English and Maths 4+ or equivalent) has increased by 18% since 2015 from 30% (2016) to 48% (2017).

The Special Sector of education within AAT continues to offer an outstanding educational provision for its vulnerable learners. Within the year 2016-17, Longspee Academy was judged as Outstanding by Ofsted (March 2016). The other Special Sector School within the Trust, Tregonwell, is already judged as Outstanding.

Key Performance Indicators

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

Key Financial Performance Indicator 2016-17	Ambitions Academies Trust	Ambitions Academies Trust (excluding St Aldhelm's Academy)	Primary Academies	Special Academies	Secondary Academies
Year End Reserves: Target (excluding long term liabilities) Actual	8 - 12% (14%)	8 - 12% 6%	8 - 12% 18%	8 - 12% (6%)	8 - 12% (79%)
Number of months' reserves:	(1.7)	0.8	2.3	(0.7)	(6.4)
Direct Staff cost as % of Income: Target Actual	60-70% 34%	60-70% 64%	60-70% 63%	60-70% 73%	60-70% 99%
Total Staff cost as % of Income: Target Actual	70-75% 73%	70-75% 80%	70-75% 76%	70-75% 88%	70-75% 116%

It has been a very positive year for academic progress across all educational sectors of the Trust.

Summary of Primary Results

The attainment at King's Park Academy for 2017 has matched the previous year and is broadly in line with national average. The combined progress score continues to be above national average despite proving to be a challenge to the EAL cohort.

The attainment at Manorside Academy for 2017 has shown a significant improvement on the previous year and is approaching national average. All progress scores are positive, explicitly demonstrating the value-added gains made for all students based on their starting points.

The attainment outcomes at Queen's Park Academy for 2017 has excellent levels of achievement, way above national average. The progress scores also show exceptional performance for this high achieving cohort.

Trustees' Report *(continued)*

Academy	Subject	2016 EXS	2016 National	2016 GD	2017 EXS	2017 National	2017 GD	Progress 2016	2017 National	Progress 2017
KPA	Reading	60%	66%	10%	63%	71%	11%	1.9	0.0	-0.6
	Writing	88%	74%	19%	85%	76%	19%	4.2	0.0	3.7
	Maths	77%	70%	17%	75%	75%	15%	3.6	0.0	1.3
	SPAG	91%	73%	23%	79%	77%	33%		0.0	
	Combined	56%	53%	4%	58%	61%	4%	3.2 Ave	0.0	1.4 Ave
MA	Reading	42%	66%	15%	64%	71%	18%	-3.04	0.0	2.1
	Writing	61%	74%	13%	64%	76%	5%	-1.34	0.0	0.2
	Maths	68%	70%	12%	67%	75%	10%	-1.01	0.0	1.7
	SPAG	74%	73%	26%	64%	77%	21%		0.0	
	Combined	42%	53%	5%	48%	61%	3%	-1.8	0.0	1.3 Ave
QPA	Reading	68%	66%	19%	81%	71%	28%	0.8	0.0	0.0
	Writing	94%	74%	21%	95%	76%	28%	3.6	0.0	2.3
	Maths	87%	70%	19%	92%	75%	34%	2.9	0.0	1.4
	SPAG	87%	73%	40%	92%	77%	62%		0.0	
	Combined	64%	53%	8%	78%	61%	16%	2.4 Ave	0.0	1.2 Ave

Summary of Secondary Results

The journey of Key Stage 4 results for St Aldhelm's over the past two years has been very encouraging. Number of pupils achieving a standard pass in Basics (English and Maths 4+ or equivalent) has increased by 18% since 2015 from 30% (2016) to 48% (2017). Whilst this is still below the national average this trend reflects the sustainable progress made. The progress measure of positive 0.21 is an exceptional achievement and is a true reflection of the progress made by all students given their starting points on entry to the Academy. This progress score places the school significantly above national average and indicates that it out performed many local secondary schools.

Academy	Subject	2016 % A*-C School	2016 % A*-C National	2016 % A*-A School	2016 % A*-A National	2017 % 9-4 School	2017 % 9-4 National	2017 % 9-7 School	2017 % 9-7 National
SAA	English	47	74	9	22	64	73	10	19
	Maths	43	68	6	20	57	71	2	20
	Basics	32	62	0	N/A	48	63	0	N/A

Academy	2016 Progress 8	Progress 8 National	2017 Progress 8
SAA	-0.51	0.00	0.21

Summary of Special Sector Results

The Special Sector of education within AAT continues to offer an outstanding educational provision for its vulnerable learners. Within the year 2016-17, Longspee Academy was judged as Outstanding by Ofsted (March 2016). The other Special Sector School within the Trust, Tregonwell, is already judged as Outstanding.

Within this sector, student targets and achievements are set in relation to the individual needs of each child. The rates of expected and accelerated progress at both schools are impressive.

Trustees' Report *(continued)*

Longspee (KS1 & 2)

Summer 2 Data Summary	Numbers of pupils who <u>have</u> achieved their end of year target	% of pupils who <u>have</u> achieved their end of year target	Numbers of pupils who have made <u>expected progress</u>	% of pupils who have made <u>expected progress</u>	Numbers of pupils who have made <u>accelerated progress</u>	% of pupils who have made <u>accelerated progress</u>
Reading	32 out of 32	100%	25	78%	7	22%
Writing	32 out of 32	100%	19	59%	13	41%
Maths	32 out of 32	100%	21	66%	11	34%

Nigel Bowes (KS2 & KS3)

Data Summary	Numbers of pupils who <u>achieved their End Of Year Target</u>	% of pupils who <u>achieved their End Of Year Target</u>	(Number) and % of pupils who <u>exceeded their End Of Year Target by 20% or more</u>
Reading	37 out of 38	97.4%	(26) 68.4%
Writing	37 out of 38	97.4%	(17) 44.7%
Maths	38 out of 38	100.0%	(15) 39.5%
Combined	37.3 out of 38	98.3%	(19.3) 50.8%

Tregonwell - Petersfield Campus

KS3

Data Summary	Number of students who achieved their End of Year Target	Percentage of students who achieved their End of Year Target
English	25 out of 27	93%
Maths	23 out of 27	85%
Science	22 out of 27	81%
PSD	21 out of 27	78%
Behaviour	24 out of 27	89%
Attendance	22 out of 27	81%

Trustees' Report *(continued)*

KS4

Data Summary	Number of students who achieved their End of Year Target	Percentage of students who achieved their End of Year Target	GCSE Grade 1/G or above	GCSE Grade 4/C or above
English Language	15 out of 29	52%	39%	3%
English Lit	1 out of 1	100%	100%	0%
Maths	23 out of 31	74%	29%	6%
Science	20 out of 21	95%	90%	5%
PE	1 out of 1	100%	100%	0%
Music	N/A	N/A	100%	0%
Home Cookery (BTEC)	18 out of 18	100%	100%	100%

Tregonwell - Throop Learning Centre

Data Summary	Number of Students	GCSE Grade 1/G or above	GCSE Grade 4/C or above
English Lang	8	100%	75%
English Lit	4	100%	100%
Maths	10	90%	40%
Science	8	100%	25%
Total GCSEs	30	97.5%	50%

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 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 £3.0m, 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, £0.1m represents Pupil Number Adjustment deferment and £1.7m is underlying deficit financial performance. St Aldhelm's Academy 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.

Trustees' Report *(continued)*

Financial Review *(continued)*

The deficit attributable to St Aldhelm's Academy is largely covered by an agreed repayment programme with the ESFA, covering £1,250,000 of the £3,008,544 deficit. The Trust accounts for the ESFA loan as a concessionary loan. The £1,250,000 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 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 2017 the net book value of tangible fixed assets was £38,754,253 (2016 - £38,816,918). These assets were used exclusively for providing education to the Trust's pupils and related support services.

Reserves Policy

The Trust held balance at 31 August 2017, including St Aldhelm's Academy's deficit, was £27,625,167 (2016 - £29,122,657), comprising of a deficit of £2,693,313 (2016 - deficit of £1,453,294) of restricted funds, a pension reserve deficit of £9,390,000 (2016 - £9,617,000), fixed asset reserves of £39,196,795 (2016 - £39,732,430) and unrestricted reserves of £511,685 (2016 - £460,521).

Total revenue reserves, which exclude the fixed asset fund of £39,196,795 (2016 - £39,732,430) and the pension reserve deficit of £9,390,000 (2016 - £9,617,000) as at 31 August 2017 were a deficit of £2,181,628 (2016 - deficit of £992,773) again including St Aldhelm's Academy's legacy deficit. Excluding St Aldhelm's Academy's legacy deficit, total revenue reserves were a surplus of £826,916 (2016 - £849,648). The fixed asset fund includes capital grants of £426,796 for ongoing projects funded by Condition Improvement Grant funding.

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 is 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.

Trustees' Report *(continued)*

Principal Risks and Uncertainties *(continued)*

The principal 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.

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.

Post Balance Sheet Event

Following the period of the financial statements, LeAF Academy Trust transferred to the Trust on 1 September 2017. The LeAF Trust comprises of three academies, Oak (Secondary), Elm (Primary) and LeAF Studio (Secondary, Specialising in performing arts and sport). In October the nursery that is based at Manorside Academy transferred into the Trusts subsidiary company Ambers Group Ltd. In November the Trust was given permission from the Head Teacher Board to begin the conversion process and due diligence for Turlin Moor Community School (Primary) to join the Trust.

Plans for Future Periods

The future plans of the Trust are as follows:

- The first priority of the Trust is to continue to consolidate its achievement of high standards by ensuring development of outstanding practice across the Trust, securing the best educational outcomes for pupils
- The Trust intends to consolidate its financial position to ensure financial stability for the future
- The Trust plans to review the new MAT Ofsted process and to ensure that the Trust meets the new criteria
- The Trust plans to continue embedding and improving its Governance structures including a new Scheme of Delegation
- The Trust is committed to working closely with schools and academies in the area where best use can be made of its National Leaders of Education for local pupils. The Trust will consider growth within the near future, provided it is of benefit to the Trust and its pupils, as well as new academies.

Ambitions Academies Trust - Year ended 31 August 2017

Trustees' Report *(continued)*

Employment of Disabled People

Ambitions Academy 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 Academy 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.

Employment Involvement

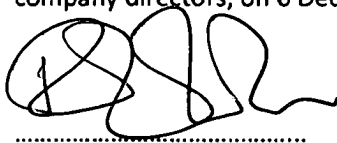
Ambitions Academy Trust works positively with Unions in all matters concerning its employees from joint consultation in relation to policy development, TUPE processes, disciplinary and grievance situations, issues relating to attendance at work and other employee relationship matters.

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, on 6 December 2017 and signed on the Board's behalf by:



Mrs P Marchiori
Chair of Trustees

Date: 21/12/17

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 5 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 Pat Marchiori (Chair of Trustees)	4	5
Mr Richard Smith	5	5
Mrs Marilyn Bramford	4	5
Mr Phillip Minns (resigned 08/12/16)	2	2
Mrs Caroline Sard	5	5
Mr Nigel Smith (resigned 30/03/17)	0	2
Mrs Berni Catling	5	5
Mr Jonathan Badger	4	5
Miss Louise Parker	3	4

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
Mr Nigel Smith (resigned 30/03/17)	0	1
Miss Louise Parker	3	3
Mrs Berni Catling	2	2
Mrs Marilyn Bramford	3	3
Mr Jonathan Badger	0	1
Mr Phillip Minns (resigned 08/12/16)	1	3

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.

Governance Statement *(continued)*

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Smith	3	3
Mrs Caroline Sard	2	3
Mrs Louise Parker	2	2
Mrs Berni Catling	1	1
Mr Phillip Minns (resigned 08/12/16)	1	1

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 Performance and attended by the sector Director of Education and the sector Associate Principals. These reviews ensure that the Academies are having a significant impact on the outcomes of the pupils.

These reviews are pulled together and are reported to the senior management team under the Strategy Termly Accountability Review. These reviews ensure that each sector is working towards the main aims of the Trust.

Cross Trust Forums

Throughout the year a number of cross Trust forums have been developed including an outcomes forum, a teaching and learning forum, both within the primary and secondary sectors, SEND forum and a Safeguarding forum. 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 and cleaning services 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. The system of internal control has been in place in Ambitions Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Ambitions Academies Trust - Year ended 31 August 2017

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the 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 to appoint Filer Knapper as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.


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:

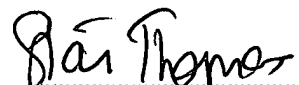
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Management Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on its behalf by:



Mrs P Marchiori
Chair of Trustees



Ms S Thomas
Accounting Officer

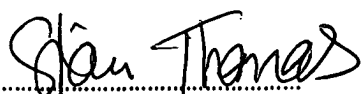
Ambitions Academies Trust - Year ended 31 August 2017

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ambitions Academies Trust, I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

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:21/12/17.....

Ambitions Academies Trust - Year ended 31 August 2017

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Ambitions Academies Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction 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:

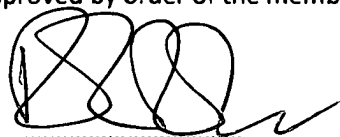
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 on 6 December 2017 and signed on its behalf by:



Mrs P Marchiori
Chair of Trustees

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

Opinion

We have audited the financial statements of Ambitions Academies Trust (the 'Academy Trust') for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis 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 academy trust 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 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.

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. 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 19, 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 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: 29 December 2017

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 28 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ambitions Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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.

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 2016 to 31 August 2017 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: 29 December 2017

Statement of Financial Activities (including Income and Expenditure Account)

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total Funds 2017	Total Funds 2016 (Re-stated)
		£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	-	-	379,728	379,728	1,758,020
Charitable activities:						
Funding for the Trust's educational operations	3	649,605	14,188,860	-	14,838,465	14,944,067
Teaching school	3	15,807	90,000	-	105,807	64,636
Other trading activities	4	54,777	7,975	-	62,752	69,437
Investments	5	741	-	-	741	1,625
Total		720,930	14,286,835	379,728	15,387,493	16,837,785
Expenditure on:						
Charitable activities:						
Trust education operations		235,966	15,740,854	1,331,745	17,308,565	16,927,827
Teaching school		17,418	90,000	-	107,418	64,636
Total	6	253,384	15,830,854	1,331,745	17,415,983	16,992,463
Net income / (expenditure)		467,546	(1,544,019)	(952,017)	(2,028,490)	(154,678)
Transfers between funds	17	(416,382)	-	416,382	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17, 24	-	531,000	-	531,000	(4,568,000)
NET MOVEMENT IN FUNDS		51,164	(1,013,019)	(535,635)	(1,497,490)	(4,722,678)
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2016		460,521	(11,070,294)	39,732,430	29,122,657	33,845,335
Funds carried forward at 31 August 2017		511,685	(12,083,313)	39,196,795	27,625,167	29,122,657

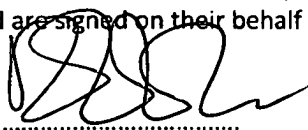
All of the Trust's activities derive from continuing operations and acquisitions during the above financial period.

Ambitions Academies Trust - Year ended 31 August 2017

Balance Sheet as at 31 August 2017

	Notes	2017		2016 (Re-stated)	
		£	£	£	£
Fixed assets					
Intangible assets	12		15,748		23,836
Tangible assets	13		38,754,253		38,816,918
Current assets					
Debtors	14	617,886		1,101,415	
Cash at bank and in hand		79,650		1,924,074	
		<u>697,536</u>		<u>3,025,489</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,252,370)		(1,732,483)	
Net current assets			<u>(554,834)</u>		<u>1,293,006</u>
Total assets less current liabilities			38,215,167		40,133,760
Creditors: Amounts falling due after more than one year	16		(1,200,000)		(1,394,103)
Net assets excluding pension liability			<u>37,015,167</u>		<u>38,739,657</u>
Defined benefit pension scheme liability	24		(9,390,000)		(9,617,000)
Total assets			<u>27,625,167</u>		<u>29,122,657</u>
Funds of the Trust:					
Restricted funds					
Fixed asset fund	17	39,196,795		39,732,430	
Restricted income fund		(2,693,313)		(1,453,294)	
Pension reserve	17	<u>(9,390,000)</u>		<u>(9,617,000)</u>	
Total restricted funds			27,113,482		28,662,136
Unrestricted income funds	17		511,685		460,521
Total funds			<u>27,625,167</u>		<u>29,122,657</u>

The financial statements on pages 25 to 49 were approved by the Trustees and authorised for issue on 6/12/17 and are signed on their behalf by:



Mrs P Marchiori
Chair of Trustees

Company Number 07977940

Statement of Cash Flows

	Notes	2017 £	2016 (Re-stated) £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(963,902)	(266,731)
Cash flows from investing activities	21	(880,522)	40,084
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>(1,844,424)</u>	<u>(226,647)</u>
Cash and cash equivalents at 1 September 2016		1,924,074	2,150,721
Cash and cash equivalents at 31 August 2017	22	<u>79,650</u>	<u>1,924,074</u>

Notes to the Financial Statements

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of Ambitions Academies Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in section 402 of the Companies Act 2006 on the basis that its subsidiary undertaking is individually immaterial

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.

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.

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.

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

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.

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.

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.

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.

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 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 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

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Tangible Fixed Assets

There has been no minimal value for assets capitalised as tangible fixed assets. 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:

- | | |
|------------------------------------|---|
| • Long leasehold buildings | Buildings 50 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.

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

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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.

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

Leased Assets

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

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the Financial Statements *(continued)*

1 Statement of accounting policies *(continued)*

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Capital Grants	-	379,728	379,728	1,758,020
Donations	-	-	-	-
	-	379,728	379,728	1,758,020
2016 total	-	1,758,020	1,758,020	

Notes to the Financial Statements *(continued)*

3 Funding for the Trust's educational operations

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016 (Re-stated)
	£	£	£	£
DfE/ESFA Revenue Grants				
General Annual Grant (GAG)	-	9,248,822	9,248,822	9,779,213
Start up grants	-	11,431	11,431	31,435
Other DfE/ESFA grants	-	1,120,289	1,120,289	1,296,914
	-	10,380,542	10,380,542	11,107,562
Other Government Grants				
Local authority grants	-	3,639,649	3,639,649	3,194,953
Other income from the Trust's educational operations	649,605	168,669	818,274	641,552
	649,605	14,188,860	14,838,465	14,944,067
Teaching School	15,807	90,000	105,807	64,636
	665,412	14,278,860	14,944,272	15,008,703
2016 total	435,986	14,572,717	15,008,703	

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016 (Re-stated)
	£	£	£	£
Consultancy and leadership	-	-	-	11,750
Other income	54,777	7,975	62,752	57,687
	54,777	7,975	62,752	69,437
2016 total	47,246	22,191	69,437	

5 Investment income

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Short term deposits	741	741	1,625
2016 total	1,625	1,625	

Notes to the Financial Statements *(continued)*

6 Expenditure

	Staff Costs	Premises	Other Costs	Total 2017	Total 2016
	£	£	£	£	£
Educational operations:					
Direct costs	10,542,098	196,265	872,518	11,610,881	11,455,741
Allocated support costs	2,553,021	1,440,443	1,704,220	5,697,684	5,472,086
Teaching school	94,888	-	12,530	107,418	64,636
	13,190,007	1,636,708	2,589,268	17,415,983	16,992,463

2016 total	12,386,628	1,519,955	3,085,880	16,992,463
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	2017	2016
	£	£
Outgoing resources for the year include:		
Operating lease rentals	31,270	23,420
Depreciation	1,323,657	1,352,720
Amortisation	8,088	674
Fees payable to auditor for:		
- audit	30,000	35,400
- audit related assurance	4,900	38,505
- other services	4,820	28,500

Notes to the Financial Statements *(continued)*

7 Charitable Activities

	Total 2017	Total 2016
	£	£
Direct Costs - educational operations	11,610,882	11,455,741
Support Costs - educational operations	5,697,684	5,472,086
Teaching School	107,418	64,636
	<u>17,415,984</u>	<u>16,992,463</u>

Analysis of support costs	Educational Operations	Total 2017	Total 2016
	£	£	£
Support staff costs	2,553,022	2,553,022	2,324,840
Depreciation	998,809	998,809	812,037
Technology costs	264,629	264,629	282,345
Premises costs	851,648	851,648	793,323
Other support costs	989,146	989,146	1,128,187
Governance costs	40,430	40,430	131,354
Total support costs	<u>5,697,684</u>	<u>5,697,684</u>	<u>5,472,086</u>

8 Staff

a. Staff Costs

	Total 2017	Total 2016
	£	£
Staff costs during the year were:		
Wages and salaries	9,505,185	8,805,122
Social security costs	873,456	695,510
Operating costs of defined benefit pension schemes	1,827,534	1,633,856
	<u>12,206,175</u>	<u>11,134,488</u>

Supply staff costs	877,206	1,145,296
Staff restructuring costs	86,451	106,844
Apprenticeship levy	20,175	-
	<u>13,190,007</u>	<u>12,386,628</u>

Staff restructuring costs comprise:

Redundancy payments	-	47,520
Severance payments	86,451	59,324
	<u>86,451</u>	<u>106,844</u>

b. Staff Severance Payments

Included in staff restructuring costs is a non-statutory / non-contractual severance payment totalling £30,000 (2016 - £Nil).

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:

	2017	2017	2016	2016
	No.	FTE	No.	FTE
Teachers	287	230	270	215
Administration and support	202	90	201	95
Management	7	7	7	7
	<u>496</u>	<u>327</u>	<u>482</u>	<u>317</u>

d. Higher paid staff

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

	2017	2016
	No.	No.
£60,000 - £70,000	3	1
£70,001 - £80,000	2	-
£80,001 - £90,000	-	-
£90,001 - £100,000	4	4
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
£180,001 - £190,000	-	-
£200,001 - £210,000	<u>-</u>	<u>1</u>

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

Included within staff restructuring costs are non-statutory / non-contractual severance and ex-gratia payments totalling £35,000 (2016 - £35,410). Individually the payments were £30,000 and £5,000

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) received by key management personnel for their services to the Trust was £886,903 (2016 - £942,934).

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 these services as a flat rate percentage of income (8%)

The actual amounts charged during the year were as follows:

	Total 2017	Total 2016
	£	£
Tregonwell Academy	324,342	320,675
Longpsee Academy	120,315	128,270
Queen's Park Academy	177,970	171,027
King's Park Academy	245,327	213,783
Manorside Academy	113,247	128,270
St Aldhelm's Academy	193,643	106,892
	<u>1,174,844</u>	<u>1,068,917</u>

10 Related Party Transactions - Trustees' remuneration and expenses

One trustee was paid remuneration or had received other benefits from an employment with the Trust. These payments relate only to the post of Chief Executive Officer and not as a trustee and this trustee has only received remuneration in respect of services he provide undertaking the role of Chief Executive Officer under his contract of employment. These remuneration figures are inclusive of employers' NI contributions.

The value of Trustees' remuneration and other benefits was as follows:

P Minns	(Chief Executive Officer and Trustee from 1/6/16 to 8/12/16)
	Remuneration £75,000 - £80,000 (2016 - £30,000 - £35,000)
	Employer's pension contributions paid £5,000 - £10,000 (2016 - £0 - £5,000)

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to any Trustee (2016 - £735 to one trustee). Other related party transactions are set out in note 25.

Notes to the Financial Statements *(continued)*

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.

12 Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2016	24,510	24,510
Additions	0	0
At 31 August 2017	24,510	24,510
Amortisation		
At 1 September 2016	674	674
Charged in year	8,088	8,088
At 31 August 2017	8,762	8,762
Net Book Values		
At 31 August 2016	23,836	23,836
At 31 August 2017	15,748	15,748

Notes to the Financial Statements *(continued)*

13 Tangible fixed assets

	Leasehold Land and Buildings £	Fixtures Fittings and Equipment £	IT and Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2016	39,713,375	589,469	1,202,577	50,425	41,555,846
Additions	988,168	165,066	77,907	29,851	1,260,992
At 31 August 2017	40,701,543	754,535	1,280,484	80,276	42,816,838
Depreciation					
At 1 September 2016	1,790,871	235,673	700,858	11,526	2,738,928
Charged in year	785,060	112,147	410,892	15,558	1,323,657
At 31 August 2017	2,575,931	347,820	1,111,750	27,084	4,062,585
Net Book Values					
At 31 August 2016	37,922,504	353,796	501,719	38,899	38,816,918
At 31 August 2017	38,125,612	406,715	168,734	53,192	38,754,253

14 Debtors

	2017 £	2016 £
Trade Debtors	227,172	363,801
VAT Recoverable	118,299	261,918
Other Debtors	183	52,448
Prepayments and accrued income	272,232	423,248
	617,886	1,101,415

Notes to the Financial Statements *(continued)*

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade Creditors	343,647	1,013,481
Taxation and Social Security	416,958	374,017
ESFA Creditor: abatement of GAG	194,103	-
Other Creditors	6,380	8,326
Accruals & deferred income	291,282	336,659
	<u>1,252,370</u>	<u>1,732,483</u>

Deferred Income	2017	2016
	£	£
Deferred income at 1 September 2016	151,770	158,786
Released from previous years	(151,770)	(158,786)
Resources deferred in the year	<u>140,884</u>	<u>151,770</u>
Deferred Income at 31 August 2017	<u>140,884</u>	<u>151,770</u>

Deferred income arises from grants paid in advance, covering the first 7 months of 2016/2017. These include Universal Infant Free School Meals, Devolved Formula Capital and rates.

16 Creditors: amounts falling due in more than one year

	2017	2016
	£	(Re-stated)
	£	£
Concessionary Loan and abatement of GAG.	<u>1,200,000</u>	<u>1,394,103</u>

Amounts falling due after more than one year is a liability of St Aldhelm's Academy to the ESFA in respect of deficit funding which was provided by the ESFA to fund a deficit the Academy's funding resources.

This is comprised of £1,200,000 of a concessionary loan from the ESFA. This amount is being repaid in monthly instalments from September 2017 ending in August 2021. It is interest free.

Notes to the Financial Statements *(continued)*

17 Funds

	Balance at 1 Sep 16 £	Prior year adjustment	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 Aug 17 £
Restricted general funds						
General Annual Grant (GAG)	332,381	-	7,366,886	(7,352,274)	-	346,993
Start Up Grant	-	-	-	-	-	-
Other DfE/ESFA grants	-	-	920,874	(919,512)	-	1,362
Local authority grants	-	-	3,616,575	(3,616,575)	-	-
Pupil Placement/ Outreach from other schools	-	-	159,039	(159,039)	-	-
Teaching school	77,336	-	90,000	(90,000)	-	77,336
Other income	-	-	9,630	(9,630)	-	-
Pension reserve (note 24)	(9,617,000)	-	-	(304,000)	531,000	(9,390,000)
Sponsored Academy deficit	-	-	-	-	-	-
- GAG	(1,200,234)	587,223	2,123,831	(3,379,824)	-	(1,869,004)
- Concessionary loan	(1,250,000)	-	-	-	-	(1,250,000)
	<u>(11,657,517)</u>	<u>587,223</u>	<u>14,286,835</u>	<u>(15,830,854)</u>	<u>531,000</u>	<u>(12,083,313)</u>
Restricted fixed asset funds						
Fixed Asset Fund	38,840,754	-	-	(1,331,745)	1,260,992	38,770,001
Transfer on conversion	-	-	-	-	-	-
DfE/ESFA capital grants	889,749	-	379,728	-	(844,610)	424,867
LA capital grants	1,927	-	-	-	-	1,927
Capital expenditure from GAG	-	-	-	-	-	-
	<u>39,732,430</u>	<u>-</u>	<u>379,728</u>	<u>(1,331,745)</u>	<u>416,382</u>	<u>39,196,795</u>
Total restricted funds	<u>28,074,913</u>	<u>587,223</u>	<u>14,666,563</u>	<u>(17,162,599)</u>	<u>947,382</u>	<u>27,113,482</u>
Total unrestricted funds	<u>460,521</u>	<u>-</u>	<u>720,930</u>	<u>(253,384)</u>	<u>(416,382)</u>	<u>511,685</u>
Total funds	<u>28,535,434</u>	<u>587,223</u>	<u>15,387,493</u>	<u>(17,415,983)</u>	<u>531,000</u>	<u>27,625,167</u>

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 2017.

Other DfE/ ESFA grants – Other Department for Education and Education and Skills 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. In the year, the Trust received funds in respect of the Head Teachers' Board and a collaborative fund grant which released senior leaders to support other schools. Brought forward funds included school improvement funding in respect of St Aldhelm's Academy and a sponsor capacity grant.

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.

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. Funds brought forward represent reserves formed of income generated by the activities of the teaching school.

Pupil Placement/Outreach funding – 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.

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

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

	2017	2016 (Re-stated)
	£	£
Ambitions Academies Trust	-	164,074
Tregonwell Academy	(695,506)	(549,152)
Queen's Park Academy	798,464	752,229
Longspee Academy	352,941	249,161
King's Park Academy	512,727	227,166
Manorside Academy	(141,710)	6,170
St Aldhelm's Academy	(3,008,544)	(1,842,421)
Total before fixed assets and pension reserve	(2,181,628)	(992,773)
Pension reserve	(9,390,000)	(9,617,000)
Restricted fixed asset fund	39,196,795	39,732,430
Total	27,625,167	29,122,657

The Trust is carrying a net deficit of £2,181,628 on amalgamated unrestricted and restricted general funds (excluding fixed assets and pension reserve) mainly because of the deficit and repayment plan associated with St Aldhelm's Academy. The Trust is taking the following action to return these funds to surplus:

St Aldhelm's Academy is carrying a net deficit of £3,008,544 on these funds. Of this deficit £1,394,103 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. Pupil numbers continue to increase and are forecast to reach a level at which the academy makes a surplus from 2020.

Notes to the Financial Statements *(continued)*

17 Funds *(continued)*

Tregonwell Academy is carrying a net deficit of £695,508 on these funds because it experienced a disparity in the year on the needs of the high needs pupils and the associated funding from Local Authorities. This was most apparent in the Pupil Referral Unit. In order to return the Academy to surplus, the Trust is addressing the disparity on income as a matter of urgency and resources are being matched appropriately. In addition, capital investment will be limited to essential repairs.

Manorside Academy is also carrying a deficit of £141,710, this is largely due to small numbers in some year groups with the decision being made that a two form entry would continue and this was to allow for rapid improvement in pupil learning. This approach is under constant review and it is forecast to return to an in year surplus by 18/19.

Analysis of Academies by cost

	Teaching and Educational Support Staff Costs	Other Support Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2017	Total 2016
	£	£	£	£	£	£
Ambitions Academies Trust	1,129,039	169,618	12,530	121,479	1,432,666	1,124,700
Tregonwell Academy	3,413,954	140,513	145,017	215,083	3,914,567	4,072,379
Queen's Park Academy	1,604,387	144,550	132,643	122,888	2,004,468	1,774,144
Longspee Academy	1,163,609	46,756	15,175	86,563	1,312,103	1,247,321
King's Park Academy	2,048,537	231,589	128,292	150,821	2,559,239	2,320,848
Manorside Academy	1,161,792	117,335	45,594	75,136	1,399,857	1,369,201
St Aldhelm's Academy	2,668,689	138,785	269,127	384,737	3,461,338	3,509,475
The Trust	13,190,007	989,146	748,378	1,156,707	16,084,238	15,418,068

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016 (Re-stated)
	£	£	£	£	£
Intangible fixed assets	-	-	15,748	15,748	23,836
Tangible fixed assets	-	-	38,754,253	38,754,253	38,816,918
Current assets/(liabilities)	511,685	(240,943)	426,794	697,536	3,025,489
Current liabilities	-	(1,252,370)	-	(1,252,370)	(1,732,483)
Non current liability	-	(1,200,000)	-	(1,200,000)	(1,394,103)
Pension scheme liability	-	(9,390,000)	-	(9,390,000)	(9,617,000)
Total net assets/(liabilities)	511,685	(12,083,313)	39,196,795	27,625,167	29,122,657

Notes to the Financial Statements *(continued)*

19 Commitments under operating leases

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

	2017	2016
	£	£
Amounts due within one year	26,915	23,420
Amounts due between one and five years	23,105	67,669
Amounts due after five years	-	-
	<u>50,020</u>	<u>91,089</u>

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

	2017	2016
	£	(Re-stated) £
Net expenditure for the reporting period (as per the statement of financial activities)	(2,028,492)	(154,678)
Adjusted for:		
Amortisation	8,088	674
Depreciation charges	1,323,657	1,352,720
Capital grants from DfE and other capital income	(379,728)	(1,758,020)
Capital income on transferred academies	-	-
Interest receivable	(740)	(1,625)
Cash transferred on conversion to an Academy Trust	-	-
Pension liability transferred on conversion	-	-
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme finance cost	304,000	221,000
(Increase)/decrease in stocks	-	-
Increase in debtors	483,529	182,665
Decrease in creditors	(480,113)	(338,570)
(Decrease)/increase in non current creditors	(194,103)	229,103
Net cash used in Operating Activities	<u>(963,902)</u>	<u>(266,731)</u>

21 Cashflows from investing activities

	2017	2016
	£	£
Dividends, interest and rents from investments	740	1,625
Purchase of intangible fixed assets	-	(24,510)
Purchase of tangible fixed assets	(1,260,990)	(1,695,051)
Capital grants from DfE/ESFA	379,728	1,758,020
Net cash inflow from returns on investment and servicing of finance	<u>(880,522)</u>	<u>40,084</u>

Notes to the Financial Statements *(continued)*

22 Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand and at bank	79,650	1,924,074
Total cash and cash equivalents	79,650	1,924,074

23 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.

24 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

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

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

Notes to the Financial Statements *(continued)*

24 Pension and similar obligations *(continued)*

Teachers' Pension Scheme *(continued)*

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amount to £883,424 (2016 - £831,769).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £859,000 (2016 - £780,000), of which employer's contributions totalled £647,000 (2016 - £582,000) and employees' contributions totalled £212,000 (2016 - £198,000). The agreed contribution rates for future years are 17.4% 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 2017	At 31 August 2016
Rate of increase in salaries	4.2%	3.80%
Rate of increase for pensions in payment/inflation	2.7%	2.30%
Discount rate for scheme liabilities	2.6%	2.20%
Inflation assumption (CPI)	2.7%	2.30%
Commutation of pensions to lump sums	<u>50.00%</u>	<u>50.00%</u>

Notes to the Financial Statements *(continued)*

24 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.9	22.9
Females	<u>26</u>	<u>25.3</u>
<i>Retiring in 20 years</i>		
Males	26.2	25.2
Females	<u>28.3</u>	<u>27.7</u>

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	3,481,000	3,112,000
Gilts	840,000	592,000
Cash	168,000	56,000
Other Bonds	715,000	688,000
Diversified Growth Fund	275,000	253,000
Property	554,000	555,000
Infrastructure	278,000	139,000
Hedge Fund	-	1,000
Total market value of assets	<u>6,311,000</u>	<u>5,396,000</u>

The actual return on scheme assets was £822,000 (2016 - £555,000)

Amount recognised in the statement of financial activities

	Total 2017 £	Total 2016 £
Current service cost (net of employee contributions)	1,439,000	913,000
Net interest cost	204,000	180,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	<u>3,000</u>	<u>2,000</u>
Total operating charge	<u>1,646,000</u>	<u>1,095,000</u>

Notes to the Financial Statements *(continued)*

24 Pension and similar obligations *(continued)*

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

	Total 2017	Total 2016
	£	£
At 1 September 2016	15,013,000	9,090,000
Upon conversion	-	-
Current service cost	1,439,000	913,000
Interest cost	331,000	365,000
Employee contributions	212,000	198,000
Actuarial (gain)/loss	(1,215,000)	4,568,000
Benefits paid	(79,000)	(121,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August 2017	15,701,000	15,013,000

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

	Total 2017	Total 2016
	£	£
At 1 September 2016	5,396,000	4,262,000
Upon conversion	-	-
Interest income	127,000	185,000
Return on plan assets (excluding net interest on the net defined pension liability)	695,000	292,000
Actuarial gain/(loss)	(684,000)	-
Employer contributions	647,000	582,000
Employee contributions	212,000	198,000
Benefits paid	(79,000)	(121,000)
Plan introductions, benefit changes, curtailments and settlements	(3,000)	(2,000)
At 31 August 2017	6,311,000	5,396,000

25 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.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

Notes to the Financial Statements *(continued)*

26 Events after the end of the reporting period

Following the period of the financial statements, LeAF Academy Trust transferred to the Trust on 1 September 2017. The LeAF Trust comprises of three academies, Oak (Secondary), Elm (Primary) and LeAF Studio (Secondary, Specialising in performing arts and sport). In October the nursery that is based at Manorside Academy transferred into the Trusts subsidiary company Ambers Group Ltd. In November the Trust was given permission from the Head Teacher Board to begin the conversion process and due diligence for Turlin Moor Community School (Primary) to join the Trust.

27 Subsidiary undertaking

A subsidiary company, Ambers Group Ltd, was incorporated on 11 July 2017. At the year end, this company had not traded the first period end will be 31 August 2018. Trade began in the 17/18 year 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.

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 2017 no funds were received or distributed (2016 - £2,112 received, £326 distributed). Unspent bursary funds will be returned to the ESFA in due course in consultation with them.

29 Prior year adjustment

The ESFA have confirmed that the Pupil Number Adjustment payments in 15/16 of £587,223 are not repayable and as a result a prior year adjustment has been made to restate the year end 31 August 2016. In addition a change in presentation of the comparative figures has been made moving £246,966 from Other Trading Activities to Other Income From the Trust's Educational Operations, and separating Teaching School income and expenditure.