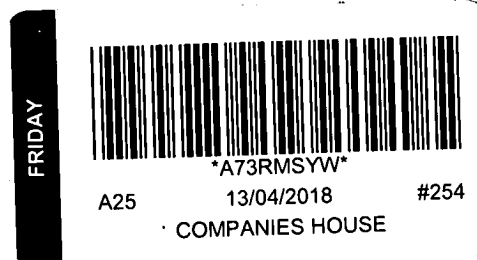


ASPIRE ACADEMIES TRUST

(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**



MHA MacIntyre Hudson
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE

ASPIRE ACADEMIES TRUST

(A Company Limited by Guarantee)

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ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Dave Stent	Resigned 20/09/2017
Prasad Pitale	Appointed 20/09/2017
Carole Connelly	
Louise Meikle	
Alison Woodhams	
Gbola Adeleke	Appointed 31/10/2017

Trustees / Governors

Dave Stent	Chair to 20/09/2017
Carrie Bennett	
Ross Hayward	
Stuart Hawkes	Resigned 06/10/2016
Prasad Pitale	Appointed 03/11/2016, Chair from 20/09/2017
Graham Barrett	Appointed 31/10/2017

Senior Management Team

Vicky Parsey	Executive Principal
Karen Land	Chief Finance Officer
Elizabeth Redway	Head of Human Resources, resigned 20/04/2017
Christopher Holt	Head of Operations, resigned 30/09/2017

Company Name

Aspire Academies Trust

Principal and registered office

High Street, Bovingdon, Hertfordshire HP3 0HL

Company registered number

08187216 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

National Westminster Bank PLC, 72-74 High Street, Watford, Hertfordshire, WD17 2GZ

Solicitors

Stone King LLP, 16 St John's Lane, London, EC1M 4BS.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year 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 Aspire Academies Trust as at 31 August 2017 consists of three primary academies (Bovingdon Primary Academy, Hammond Academy, The Grove Academy) and the West Hertfordshire Teaching School Partnership all operating in south west Hertfordshire. The trust academies are for pupils aged 4 to 11 years. It has a pupil capacity of 2000 and had a roll of 1734 in the school census on October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Aspire Academies Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Aspire Academies Trust.

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was included in the total insurance cost and could not be separately identified.

Method of Recruitment and Appointment or Election of Trustees

Aspire Academies Trust shall have a minimum of three and maximum of ten trustees as set out in its articles of association. Trustees shall include the Executive Principal and up to nine others, as agreed by Members, who have relevant skills including (without limitation) finance, human resources, legal and school improvement.

Prospective Trustees will complete an application form and a skills audit for consideration by Trustees. A Member and the Chair of Trustees will meet the prospective Trustee and, if considered suitable, all Members are asked to authorise the appointment. The Trust Senior Human Resources Officer will undertake safe recruitment checks before appointment is confirmed.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, educational, legal and financial matters. All Trustees are provided with an induction booklet which includes copies of policies and procedures. Copies of minutes, accounts, budgets, plans and other documents needed to undertake their role as a Trustee are made available. The Trust will periodically perform a skills audit of Trustees and, should any gaps be identified, external training courses will be offered to address these issues.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure

Aspire Academies Trust currently contains the following academies:

Bovingdon Primary Academy

Hammond Academy

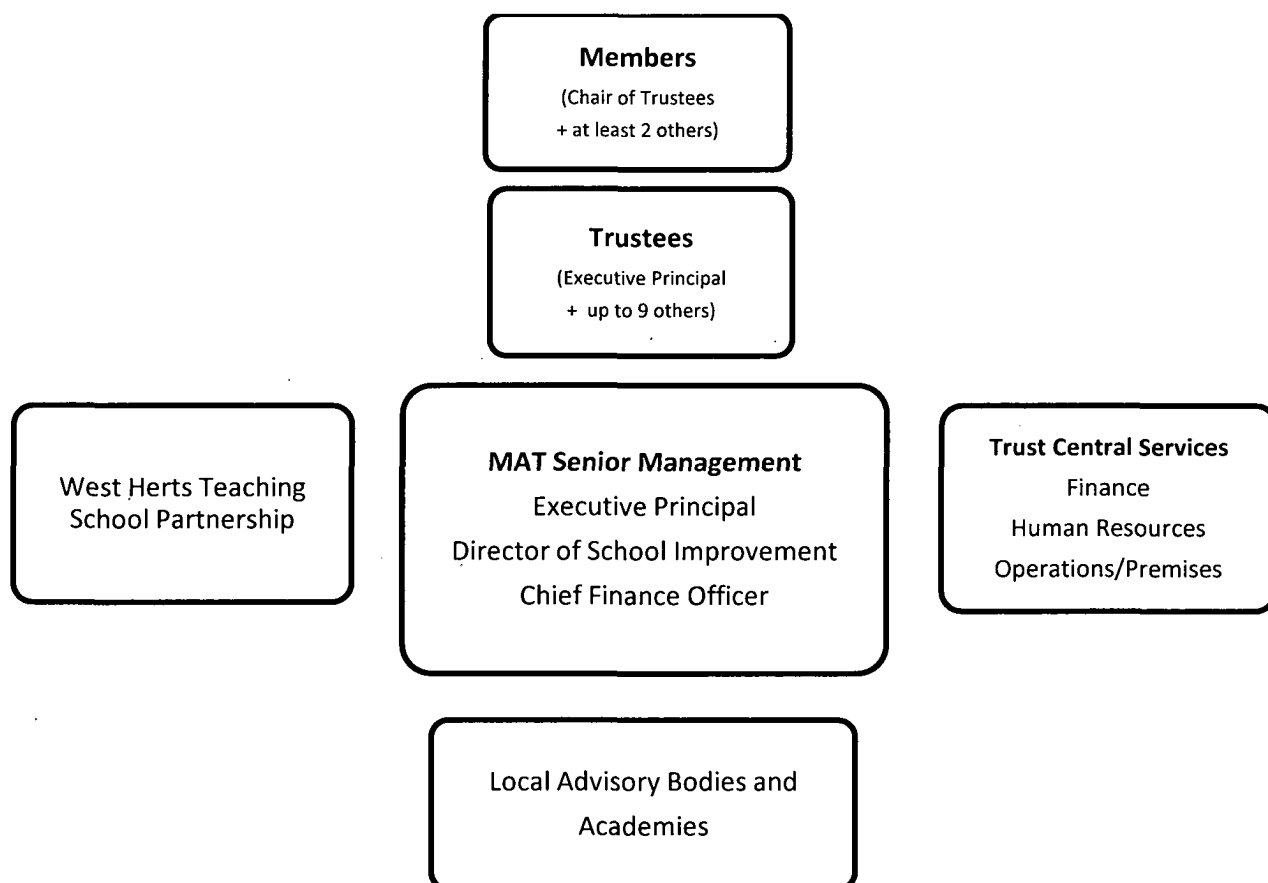
The Grove Academy

Two further academies will be joining the Trust in September 2017 and December 2017.

The aim of the management structure of Aspire Academies Trust is to devolve responsibility and encourage involvement in decision making at all levels.

From September 2017 the structure has changed to offer schools additional centralised services in Finance, Human Resources and Premises / Operations.

The structure is:



The members have ultimate responsibility for the Trust achieving its charitable objectives. They sign off the articles of association and have power to appoint and remove Trustees ensuring an appropriate balance of skills and effectiveness.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, approving the statutory accounts, monitoring each academy's performance by the use of budgets and other data, and making major decisions about the direction of each academy's capital expenditure and senior staff appointments.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure (continued)

The Executive Principal is supported by the Aspire Central Team and the Principal and Senior Leadership Team of each Academy. These managers control the Academies at an executive level implementing the strategy and policies laid down by the Trustees and reporting back to them.

Each Local Advisory Body receives delegated authority from the Trustees to support the Trust in fulfilling its obligations.

Arrangements for setting pay and remuneration of key management personnel

Employees at Trust level are employed on the same terms and conditions of employment as teaching staff / support staff, dependent on their role. The Trustees have determined the structure and pay scales for these employees and benchmark against ISRs, leadership, support staff pay and Hertfordshire County Council senior manager salary ranges.

There are Strategic Leadership Skills Descriptors in place for Trust level employees, as set out in the Trust performance management policy. The Trustees will ensure that both pay and performance development reviews are independently moderated for the Executive Principal and Chief Finance Officer roles.

Employees and disabled persons

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health and Safety Policy

In accordance with the Trust's Equal Opportunities Policy, the Trust has established fair employment practices in the recruitment, selection, retention and training of disabled staff. The Trust ensures that disabled persons have opportunities to fulfil their potential and realise their aspirations.

Related parties and other connected charities and organisations.

The West Hertfordshire Teaching Schools Partnership (company no. 08240993) is a wholly owned subsidiary company of Aspire Academies Trust. The business of the Company is the provision of educational support to schools in accordance with the programmes defined by the National College for Teaching and Leadership. The remit of the Trust is as follows:

- to act as a channel for communication so that information and ideas can be disseminated to the Alliance Partners, Teaching Schools and other schools;
- to ensure that new models of teaching practice are shared amongst Alliance Partners, Teaching Schools and other schools;
- to work with Alliance Partners by:
 - playing a role in training new entrants to the profession (initial teacher training);
 - leading peer-to-peer professional and leadership development (continuing professional development);
 - identifying and developing leadership potential (succession planning and talent management);
 - providing educational and other support to Alliance Partners, Teaching Schools and other schools; and
 - engaging in research and development activity.

Any surpluses generated by West Hertfordshire Teaching Schools Partnership are gift aided to Aspire Academies Trust.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

Objects and Aims

Aspire Academies Trust has entered into a funding agreement with the Secretary of State which specifies amongst other things, the basis for admitting pupils to the Trust, the catchment area from which the pupils are drawn, and that the curriculum should be broad and balanced.

The main objects / aims of the Trust during the year ended 31 August 2017 are summarised below

- to offer excellent education as standard to enable every pupil to reach their full potential
- to work collaboratively and in partnership across all our academies, sharing ideas and strengths
- to put people first, treating every person within the Trust and its Academies as individuals
- to provide value for money for the funds expended.

Objectives, Strategies and Activities

At Aspire Academies Trust we care deeply about the development of everyone in our Academies.

We believe in achievement in its broadest sense and that enjoyment of learning is crucial to success. The strength of our leadership team will ensure that we provide the very best education for our pupils.

Our pupils are empowered to have high aspirations for their future. We nurture and challenge them to take responsibility, make decisions and work together so they grow into confident young people.

We value excellent teaching in our Academies, underpinned by the high quality professional development support given by the West Hertfordshire Teaching Schools Partnership. By sharing ideas and promoting best practice we will provide our pupils with a stimulating curriculum in a safe learning environment

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. Aspire Academies Trust fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. Community based projects are undertaken throughout the year by staff and pupils which further enhances the public benefit.

STRATEGIC REPORT

Achievements and Performance

Aspire Academies Trust provided education for approximately 1700 children across West Hertfordshire in the year ending 31 August 2017.

Partnership working has been a key strength of the Trust and continues to develop. Academy Principals, senior leaders and subject leaders meet regularly to share curriculum planning and best practice. In addition the West Hertfordshire Teaching Schools Partnership has continued to grow and develop leading to an increased breadth of training programmes and sharing of best practice within the Trust and it's Alliance members.

Achievements within the Trust are supported by the following strengths:

- strong leadership by the Executive Principal and Academy Principals, combined with the effective support from the Trustees, the Local Advisory Bodies and senior leaders;
- all Academy data show pupils are making accelerated progress;
- standards are good;
- the proportion of good or better teaching is high;
- pupil's behaviour and attitude to work are exemplary;
- pupil attendance is good;
- pupils get on well together and feel safe

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Key Financial Performance Indicators

Aspire Academies Trust uses a number of financial key performance indicators to monitor financial success of the Trust and progress / improvement against the targets set.

To ensure sustainability, staff costs as a % of income and expenditure are monitored by Trustees when approving the consolidated annual budget for the following financial year.

	2017-2018	2016-2017
Salary Costs to ESFA Revenue Income	88.4%	86.46%
Salary Costs to Total Income	76.9%	75.70%
Salary Costs as % Total Expense	76.5%	72.35%

The Trust Finance Committee monitors monthly expenditure and ensures appropriate checks and balances are in place to maintain high standards and the effective running of each of the Academies.

The Trust also uses a number of non-financial key performance indicators to monitor its Academies' performance. These include:

- pupil attendance data;
- staff recruitment, retention and promotion;
- Key Stage 1 and Key Stage 2 assessment data and Raiseonline data

The Trust maintains results in line with the national average; this is expected to continue and demonstrates the Trust's education objectives.

	Trust's Performance	National
Reading Expected Standard	67%	71%
Reading Greater Depth	34%	
Writing Expected Standard	78%	76%
Writing Greater Depth	40%	
Maths Expected Standard	77%	75%
Maths Greater Depth	34%	
Grammar, Punctuation & Spelling Expected Standard	76%	77%
Grammar, Punctuation & Spelling Greater Depth	36%	
Reading, Writing & Maths Expected Standard	60%	61%
Reading, Writing & Maths Greater Depth	30%	

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.

FINANCIAL REVIEW

During the year ended 31 August 2017, total expenditure excluding depreciation and Local Government Pension Scheme movements of £7,397,725 was covered by recurrent grant funding from the DfE (via the Education and Skills Funding Agency) together with other incoming resources.

At 31 August 2017 the net book value of fixed assets was £14,240,071 and movements in tangible fixed assets are shown in note 14 to the financial statements. Capital expenditure in the year was £473,369. All the assets were used exclusively for providing education and the associated support services to the pupils of Aspire Academies Trust.

Restricted funds include a pension reserve deficit of £2,162,000 as detailed in note 22 which may result in the Trust having to make additional contributions in future years.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Reserves Policy

The Board of Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust is committed towards maintaining its buildings and is developing a capital maintenance programme aimed at ensuring a long useful life of the Trust's assets.

Future financial cost pressures for each of the Academies will reduce the level of financial reserves in the long term. The Board of Trustees have agreed that the minimum level of reserves held for revenue purposes in each Academy should be no less than 2% of the Academies General Annual Grant of which 50% is to be earmarked for maintenance of premises.

At 31 August 2017 the total funds comprised:

Unrestricted	561,840
Restricted: Fixed asset funds	14,449,797
GAG	1,085,444
Pension reserve	(2,162,000)
Other	39,014
	<u>13,974,095</u>

The significant reduction in the Pension reserve liability is primarily caused by the increase in the discount rate along with the price of gilts significantly decreasing due to economic factors. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Investment Policy

There are no material investments held by Aspire Academies Trust.

Surplus funds are invested with the Trust's banker, National Westminster Bank, in a liquidity select account. An account is set up for each Academy. Funds are automatically transferred between the Academy's current account and liquidity account to maximise the interest received. Interest is received monthly.

Principal Risks and Uncertainties

The Trust's most significant financial risk is future funding from Government which remains uncertain. Increased employment and premises costs are all contributing to cost pressures in future years, which in turn increases the importance of maintaining robust levels of revenue reserves. In addition the Trust has plans for capital expenditure over the next few years to improve its buildings and facilities some of which may have to be delayed if unanticipated emergency expenditure is needed.

A risk register, detailing all areas of risk to the Trust, is in place and reviewed at Board Meetings. Mitigating actions are agreed as required.

PLANS FOR FUTURE PERIODS

Aspire Academies Trust will continue to deliver the following in all of its Academies:

- outstanding teaching and learning to ensure high levels of progress and attainment;
- provision of learning environments which allow pupils of all abilities to thrive;
- mutual respect between the children, staff and community;
- high standards of behaviour and conduct;
- a wide range of enrichment opportunities for all pupils to get involved in
- adherence to an Equal Opportunities Policy for all stakeholders.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS (continued)

The Trust plans for growth in the number of Academies it runs. It is anticipated that by the end of the next accounting year there will be at least 5 schools within the organisation. Trustees and Members intend to review the organisational structure over the next year to ensure it meets the requirements of a growing Multi-Academy Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

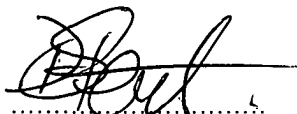
None

AUDITOR

In so far 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.

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2017 and signed on the board's behalf by:



D Stent
Vice-Chair of Trustees

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Aspire 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 Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aspire 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 five 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
D Stent (Chairman)	2*	5
V Parsey (Executive Principal & Accounting Officer)	5	5
C Bennett	5	5
Ross Hayward	4	5
Stuart Hawkes (Resigned 06/10/2016)	1	1
Prasad Pitale (Appointed 03/11/2016)	4	4

*Agreed sabbatical from 1 March 2017 to 31 August 2017

During the year the Board of Trustees undertook a skills audit and identified areas for future Trustee recruitment, namely individuals with business, marketing and education skills. Recruitment in two of these areas has been successful for the next academic year.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to review the risks to internal financial control at the Trust.

During the year the Committee has reviewed all financial policies and challenged the working practices in the Academies to ensure the end of year accounts are accurate and can be consolidated.

The committee is aware of growing financial issues presented to all schools through Government legislation and are being proactive and strategic in preparing to ensure financial sustainability.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
C Bennett (Chairman)	4	4
V Parsey (Executive Principal & Accounting Officer)	4	4
P Pitale	4	4
K Land (Chief Finance Officer)	4	4

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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:

- securing the best possible education for all pupils, in the most efficient and effective way, at a reasonable cost;
- ensuring effective use of all resources in the Trust's charge;
- sharing expertise, experience, data and cost effective practices throughout all our academies;
- having procedures in place for obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time and cost. The Schedule of Financial Delegation ensures competitive tendering and consideration is given to the suitability and quality of workmanship when comparing quotations;
- being able to access economies of scale when making shared purchases and negotiate lower costs with suppliers for the benefit of all our Academies.

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 Aspire Academies Trust for the year 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. 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 year 01 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.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 and general purposes 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 appointed MHA MacIntyre Hudson to perform the responsible officer role.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of input VAT claims on debit card transactions

The report noted that the process for identifying and reclaiming Input VAT from purchases made by debit card showed a marked improvement when compared to the year ending 31 August 2016.

The responsible officer reports to the Board of Trustees, through the Trust's Finance Committee on the operation of the systems of control and on the discharge of financial responsibilities.

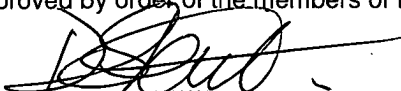
REVIEW OF EFFECTIVENESS

As Accounting Officer the Executive Principal 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 Finance Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:


David Stent
Vice-Chair of Trustees


Vicky Parsey
Accounting Officer

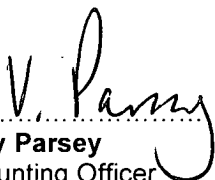
ASPIRE ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017

As Accounting Officer of Aspire Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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


.....
Vicky Parsey
Accounting Officer

7 December 2017

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 Group will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and the Group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:


.....

D Stent
Vice-Chair

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE ACADEMIES TRUST

OPINION

We have audited the financial statements of Aspire Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Group Consolidated Balance Sheet, the Group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 its 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 Group's and of the parent Academy Trust's affairs as at 31 August 2017 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE ACADEMIES TRUST

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASPIRE ACADEMIES TRUST

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

MHA MacIntyre Hudson

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *19 December 2019*

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 25 August 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 Aspire Academies Trust during the year 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 Aspire Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aspire Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aspire Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASPIRE ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Aspire Academies Trust's funding agreement with the Secretary of State for Education dated 31 August 2012, 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 year 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASPIRE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- review of the objectives and activities of the Academies, with reference to the income streams and other information available to us as auditors of the Academies;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams;
- making appropriate enquiries of the Accounting Officer; and
- evaluating the internal control procedures and reporting lines.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2017

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	-	268,197	268,197	690,994
Charitable activities:						
Teaching school	5	-	100,565	-	100,565	74,500
Other charitable activities	5	267,128	6,720,591	-	6,987,719	6,757,622
Other trading activities	3	490,484	-	-	490,484	423,072
Investments	4	2,216	-	-	2,216	8,222
TOTAL INCOME		759,828	6,821,156	268,197	7,849,181	7,954,410
EXPENDITURE ON:						
Raising funds	6	38,977	2,196	-	41,173	38,808
Charitable activities:						
Teaching school	7	-	71,644	-	71,644	75,120
Other charitable activities	7	406,517	6,878,391	573,231	7,858,139	7,202,938
TOTAL EXPENDITURE	6	445,494	6,952,231	573,231	7,970,956	7,316,866
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	314,334	(131,075)	(305,034)	(121,775)	637,544
		-	(157,552)	157,552	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		314,334	(288,627)	(147,482)	(121,775)	637,544
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,253,000	-	1,253,000	(1,260,000)
NET MOVEMENT IN FUNDS		314,334	964,373	(147,482)	1,131,225	(622,456)
RECONCILIATION OF FUNDS:						
Total funds brought forward		247,506	(2,001,915)	14,597,279	12,842,870	13,465,326
TOTAL FUNDS CARRIED FORWARD		561,840	(1,037,542)	14,449,797	13,974,095	12,842,870


The notes on pages 23 to 51 form part of these financial statements.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08187216

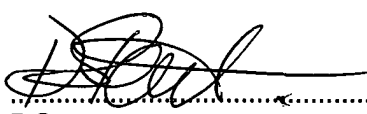
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		14,240,071		14,339,933
CURRENT ASSETS					
Debtors	15	492,673		404,507	
Cash at bank and in hand		1,964,355		2,101,508	
		<u>2,457,028</u>		<u>2,506,015</u>	
CREDITORS: amounts falling due within one year	16	(561,004)		(871,078)	
NET CURRENT ASSETS			1,896,024		1,634,937
TOTAL ASSETS LESS CURRENT LIABILITIES			16,136,095		15,974,870
Defined benefit pension scheme liability	22		(2,162,000)		(3,132,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>13,974,095</u>		<u>12,842,870</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	1,124,458		1,130,085	
Restricted fixed asset funds	17	14,449,797		14,597,279	
Restricted income funds excluding pension liability		15,574,255		15,727,364	
Pension reserve	17	(2,162,000)		(3,132,000)	
Total restricted income funds			13,412,255		12,595,364
Unrestricted income funds	17		561,840		247,506
TOTAL FUNDS			<u>13,974,095</u>		<u>12,842,870</u>

The financial statements on pages 19 to 51 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



Vicky Parsey
 Accounting Officer



D Stent
 Vice-Chair

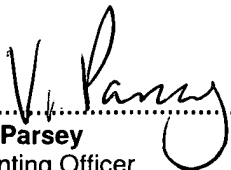
The notes on pages 23 to 51 form part of these financial statements.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08187216

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		14,240,071		14,339,933
CURRENT ASSETS					
Debtors	15	490,828		426,688	
Cash at bank		1,940,353		2,077,339	
		<u>2,431,181</u>		<u>2,504,027</u>	
CREDITORS: amounts falling due within one year	16	(534,850)		(868,782)	
NET CURRENT ASSETS			<u>1,896,331</u>		<u>1,635,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,136,402</u>		<u>15,975,178</u>
Defined benefit pension scheme liability	22		(2,162,000)		(3,132,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>13,974,402</u>		<u>12,843,178</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	1,124,458		1,130,085	
Restricted fixed asset funds	18	14,449,797		14,597,279	
Restricted funds excluding pension reserve		15,574,255		15,727,364	
Pension reserve	18	(2,162,000)		(3,132,000)	
Total restricted funds			13,412,255		12,595,364
Unrestricted funds	18		562,147		247,814
TOTAL FUNDS			<u>13,974,402</u>		<u>12,843,178</u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



Vicky Parsey
 Accounting Officer



D Stent
 Vice-Chair

The notes on pages 23 to 51 form part of these financial statements.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	65,803	561,531
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,216	8,222
Purchase of tangible fixed assets		(473,369)	(769,535)
Capital grants from DfE/ESFA		239,857	690,994
Capital funding received from sponsors and others		28,340	-
Net cash used in investing activities		(202,956)	(70,319)
Change in cash and cash equivalents in the year		(137,153)	491,212
Cash and cash equivalents brought forward		2,101,508	1,610,296
Cash and cash equivalents carried forward	21	1,964,355	2,101,508

The notes on pages 23 to 51 form part of these financial statements.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Aspire Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Aspire Academies Trust and all of its subsidiary undertakings ('subsidiaries') (see note 24).

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the donors 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 and include grants from the Department for Education and Education and Skills Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account 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.

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 Academy Trust's accounting policies.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Operating leases

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

1.8 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than long leasehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	2%-10% per annum (on buildings only) on cost
Motor vehicles	-	20% per annum on cost
Fixtures and fittings	-	20% per annum on cost
Computer equipment	-	33% per annum on cost

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Liabilities and provisions

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

Critical areas of judgment:

The judgements that have a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

ASPIRE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital grants	-	-	238,907	238,907	662,300
Devolved formula capital grants	-	-	29,290	29,290	28,694
	-	-	268,197	268,197	690,994
<i>Total 2016</i>	-	-	690,994	690,994	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	14,095	-	14,095	18,012
School clubs	214,341	-	214,341	177,290
Trading subsidiary income	136,643	-	136,643	115,488
Other income	81,438	-	81,438	76,329
Consultancy & training income	13,219	-	13,219	4,394
School fund	30,748	-	30,748	31,559
	490,484	-	490,484	423,072
<i>Total 2016</i>	423,072	-	423,072	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	2,216	-	2,216	8,222
<i>Total 2016</i>	8,222	-	8,222	

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,271,324	5,271,324	5,167,954
Pupil premium	-	411,381	411,381	426,385
Other DfE/ESFA grants	-	414,202	414,202	267,165
National college grants	-	100,565	100,565	74,500
	-	6,197,472	6,197,472	5,936,004
Other government grants				
SEN income	-	93,955	93,955	80,534
Schools early years funding	-	417,125	417,125	494,671
Other government grants	-	112,604	112,604	90,210
	-	623,684	623,684	665,415
Other funding				
Music income	34,423	-	34,423	20,997
Trips and activities	104,839	-	104,839	99,979
Catering income	127,866	-	127,866	109,727
	267,128	-	267,128	230,703
	267,128	6,821,156	7,088,284	6,832,122
<i>Total 2016</i>	230,703	6,601,419	6,832,122	

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	41,173	41,173	38,808
Academy's educational operations:					
Direct costs	4,454,851	-	571,849	5,026,700	4,612,107
Support costs	1,388,139	792,919	650,381	2,831,439	2,590,831
Teaching School:					
Direct costs	-	-	61,551	61,551	65,331
Support costs	-	-	10,093	10,093	9,789
	<u>5,842,990</u>	<u>792,919</u>	<u>1,335,047</u>	<u>7,970,956</u>	<u>7,316,866</u>
<i>Total 2016</i>	<u>5,161,994</u>	<u>696,350</u>	<u>1,458,522</u>	<u>7,316,866</u>	

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. CHARITABLE ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,454,851	4,042,161
Other staff expenses	103,936	99,373
Educational supplies	230,702	246,152
School trip expenditure	107,152	97,237
ICT learning resources	35,689	55,708
Bought in professional services	94,370	71,476
	<u>5,026,700</u>	<u>4,612,107</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,388,139	1,119,833
Depreciation	573,231	544,648
Pension finance cost	67,000	68,000
ICT expenses	42,484	43,697
Bought in professional services	41,966	33,950
Travel and security	10,435	12,774
Maintenance	163,411	123,917
Cleaning	22,267	19,588
Rates	20,754	22,724
Energy	84,983	81,063
Catering	191,737	307,358
Insurance	48,887	49,325
Other support costs	130,747	117,172
Governance costs	45,398	46,783
	<u>2,831,439</u>	<u>2,590,832</u>
	<u>7,858,139</u>	<u>7,202,939</u>
TEACHING SCHOOL COSTS		
Direct costs	61,551	65,331
Support costs	10,093	9,789
	<u>71,644</u>	<u>75,120</u>
	<u><u>7,929,783</u></u>	<u><u>7,278,059</u></u>

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000
	£	Amount
		£
Gifts made by the trust	1,935	-

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	573,231	544,648
Auditors' remuneration - audit	15,000	15,000
Auditors' remuneration - other services	5,200	5,201
Operating lease rentals	30,063	26,622

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,114,763	3,977,861
Social security costs	319,195	263,080
Operating costs of defined benefit pension schemes	994,808	751,020
	<u>5,428,766</u>	<u>4,991,961</u>
Apprenticeship levy	2,364	-
Supply teacher costs	404,513	170,033
Staff restructuring costs	7,347	-
	<u>5,842,990</u>	<u>5,161,994</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	7,347	-

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

	2017 No.	2016 No.
Teaching	50	45
Administration and support	191	188
Management	22	26
	<u>263</u>	<u>259</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions amounted to £23,394 (2016: £19,437).

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer's national insurance contributions) received by key management personnel for their services to the Academy Trust was £259,274 (2016: £213,748).

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
V Parsey	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2017, one Trustees received reimbursement of expenses relating to travel and subsistence for £2,044 (2016 - £NIL).

12. CENTRAL SERVICES

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

- Human Resources
- Finance team
- Legal services
- Education support
- Premises and estates advice

The Academy Trust charges for these services on the basis of a flat percentage of General Annual Grant income.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Bovingdon Primary Academy	85,972	84,286
Grove Academy	137,073	134,385
Hammond Academy	89,724	87,965
Total	<u>312,769</u>	<u>306,636</u>

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost and could not be separately identified. (2016 - £684).

ASPIRE ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. TANGIBLE FIXED ASSETS

Group and Academy trust	Long leasehold property £	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 1 September 2016	14,752,852	13,000	408,820	453,381	15,628,053
Additions	345,176	-	77,128	51,065	473,369
Disposals	-	-	(20,100)	(1,310)	(21,410)
At 31 August 2017	15,098,028	13,000	465,848	503,136	16,080,012
Depreciation					
At 1 September 2016	869,685	5,200	267,296	145,939	1,288,120
Charge for the year	414,245	2,600	69,185	87,201	573,231
On disposals	-	-	(20,100)	(1,310)	(21,410)
At 31 August 2017	1,283,930	7,800	316,381	231,830	1,839,941
Net book value					
At 31 August 2017	13,814,098	5,200	149,467	271,306	14,240,071
At 31 August 2016	13,883,167	7,800	141,524	307,442	14,339,933

Included in long leasehold property is land held at valuation of £4,794,538 (2016: £4,794,538) which is not depreciated.

The Trust's transactions in land and buildings included roof refurbishment at all three schools as well as other improvements at Bovingdon Academy.

15. DEBTORS

	Group		Academy Trust	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	37,973	9,110	29,743	3,858
Amounts owed by group undertakings	-	-	32,745	27,434
VAT recoverable	31,403	141,345	31,403	141,345
Other debtors	347,332	189,118	321,630	189,118
Prepayments and accrued income	75,965	64,934	75,307	64,933
	492,673	404,507	490,828	426,688

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. CREDITORS: Amounts falling due within one year

	Group		Academy Trust	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	67,788	436,152	67,788	435,921
Other taxation and social security	171,349	79,810	170,299	79,545
Other creditors	25,364	84,774	19,695	82,974
Accruals and deferred income	296,503	270,342	277,068	270,342
	561,004	871,078	534,850	868,782

	Group		Academy Trust	
	2017	2016	2017	2016
	£	£	£	£
Deferred income				
Deferred income at 1 September 2016	174,368	168,338	174,368	168,338
Resources deferred during the year	176,242	174,368	156,807	174,368
Amounts released from previous years	(174,368)	(168,338)	(174,368)	(168,338)
Deferred income at 31 August 2017	176,242	174,368	156,807	174,368

At the Balance Sheet date, the Academy Trust was holding funds received in advance for activities and universal free school meal grants for 2017/18.

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS - GROUP

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	247,814	623,185	(435,401)	126,549	-	562,147
Teaching school	(308)	136,643	(10,093)	(126,549)	-	(307)
	<u>247,506</u>	<u>759,828</u>	<u>(445,494)</u>	<u>-</u>	<u>-</u>	<u>561,840</u>
Restricted funds						
General Annual Grant (GAG)	1,130,085	5,271,324	(5,158,413)	(157,552)	-	1,085,444
Pupil premium	-	411,381	(411,381)	-	-	-
Other DFE/ESFA income	-	414,202	(414,202)	-	-	-
SEN income	-	93,955	(93,955)	-	-	-
Early years funding	-	417,125	(417,125)	-	-	-
NCSL grant	-	100,565	(61,551)	-	-	39,014
Other government funds	-	112,604	(112,604)	-	-	-
Pension reserve	(3,132,000)	-	(283,000)	-	1,253,000	(2,162,000)
	<u>(2,001,915)</u>	<u>6,821,156</u>	<u>(6,952,231)</u>	<u>(157,552)</u>	<u>1,253,000</u>	<u>(1,037,542)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	14,339,933	-	(573,231)	473,369	-	14,240,071
Local authority grants	-	28,340	-	(28,340)	-	-
Devolved formula capital	22,257	19,950	-	(42,207)	-	-
Capital improvement fund	235,089	219,907	-	(245,270)	-	209,726
	<u>14,597,279</u>	<u>268,197</u>	<u>(573,231)</u>	<u>157,552</u>	<u>-</u>	<u>14,449,797</u>
Total restricted funds	<u>12,595,364</u>	<u>7,089,353</u>	<u>(7,525,462)</u>	<u>-</u>	<u>1,253,000</u>	<u>13,412,255</u>
Total of funds	<u>12,842,870</u>	<u>7,849,181</u>	<u>(7,970,956)</u>	<u>-</u>	<u>1,253,000</u>	<u>13,974,095</u>

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS - GROUP (continued)

STATEMENT OF FUNDS - PRIOR YEAR - GROUP

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	184,514	654,234	(598,385)	7,451	-	247,814
Teaching school	-	7,763	(620)	(7,451)	-	(308)
	<u>184,514</u>	<u>661,997</u>	<u>(599,005)</u>	<u>-</u>	<u>-</u>	<u>247,506</u>
Restricted funds						
Transfer on conversion	9,413	-	-	(9,413)	-	-
General Annual Grant (GAG)	544,101	5,190,679	(4,485,555)	(119,140)	-	1,130,085
Pupil premium	-	426,385	(426,385)	-	-	-
Other DFE/ESFA income	175,291	244,440	(419,731)	-	-	-
SEN income	-	170,744	(170,744)	-	-	-
Early years funding	-	494,671	(494,671)	-	-	-
NCSL teaching school grant	-	74,500	(74,500)	-	-	-
Pension reserve	(1,771,000)	-	(101,000)	-	(1,260,000)	(3,132,000)
	<u>(1,042,195)</u>	<u>6,601,419</u>	<u>(6,172,586)</u>	<u>(128,553)</u>	<u>(1,260,000)</u>	<u>(2,001,915)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	13,934,423	-	(545,275)	950,785	-	14,339,933
Capital expenditure from GAG	181,310	-	-	(181,310)	-	-
Devolved formula capital	19,501	28,694	-	(25,938)	-	22,257
Capital improvement fund	187,773	662,300	-	(614,984)	-	235,089
	<u>14,323,007</u>	<u>690,994</u>	<u>(545,275)</u>	<u>128,553</u>	<u>-</u>	<u>14,597,279</u>
Total restricted funds	<u>13,280,812</u>	<u>7,292,413</u>	<u>(6,717,861)</u>	<u>-</u>	<u>(1,260,000)</u>	<u>12,595,364</u>
Total of funds	<u>13,465,326</u>	<u>7,954,410</u>	<u>(7,316,866)</u>	<u>-</u>	<u>(1,260,000)</u>	<u>12,842,870</u>

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS - GROUP (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes including Universal Free School Meals and PE Sports grant.

Pupil premium must be used for the purpose detailed in the grant or donation.

The NCSL teaching school fund is to provide high-quality training, development and support to new and experienced school staff.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets and unspent capital funds. Transfers to the fund are to meet the cost of additions or transfers into GAG for revenue expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Bovingdon Primary Academy	214,359	171,143
Grove Academy	526,823	596,729
Hammond Academy	675,065	481,218
Central funds	270,359	128,809
West Hertfordshire Teaching School Partnership	(308)	(308)
Total before fixed asset fund and pension reserve	1,686,298	1,377,591
Restricted fixed asset fund	14,449,797	14,597,279
Pension reserve	(2,162,000)	(3,132,000)
Total	13,974,095	12,842,870

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS - GROUP (continued)

Analysis of cost by Academies

Expenditure incurred by each Academy, excluding depreciation, during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Bovingdon Primary Academy	1,188,946	375,171	155,567	295,830	2,015,514	1,908,483
Grove Academy	1,961,487	458,300	186,554	312,525	2,918,866	2,660,161
Hammond Academy	1,184,166	371,642	196,143	279,886	2,031,837	1,794,498
Central funds	120,252	183,026	33,585	23,001	359,864	333,332
West Hertfordshire Teaching School Partnership	-	-	61,551	10,093	71,644	75,117
	<u>4,454,851</u>	<u>1,388,139</u>	<u>633,400</u>	<u>921,335</u>	<u>7,397,725</u>	<u>6,771,591</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS - ACADEMY TRUST

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Gains/ losses £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	247,814	759,828	(445,494)	-	-	562,147
	<u>247,814</u>	<u>759,828</u>	<u>(445,494)</u>	<u>-</u>	<u>-</u>	<u>562,147</u>
Restricted funds						
General Annual Grant (GAG)	1,130,085	5,271,324	(5,158,413)	(157,552)	-	1,085,444
Pupil premium	-	411,381	(411,381)	-	-	-
Other DFE income	-	414,202	(414,202)	-	-	-
SEN income	-	93,955	(93,955)	-	-	-
Early years funding	-	417,125	(417,125)	-	-	-
NCSL grant	-	100,565	(61,551)	-	-	39,014
Other government grants	-	112,604	(112,604)	-	-	-
Pension reserve	(3,132,000)	-	(283,000)	-	1,253,000	(2,162,000)
	<u>(2,001,915)</u>	<u>6,821,156</u>	<u>(6,952,231)</u>	<u>(157,552)</u>	<u>1,253,000</u>	<u>(1,037,542)</u>
Restricted fixed asset fund						
Restricted fixed asset funds	14,339,933	-	(573,231)	473,369	-	14,240,071
Capital expenditure from GAG	-	28,340	-	(28,340)	-	-
Devolved formula capital	22,257	19,950	-	(42,207)	-	-
Capital improvement fund	235,089	219,907	-	(245,270)	-	209,726
	<u>14,597,279</u>	<u>268,197</u>	<u>(573,231)</u>	<u>157,552</u>	<u>-</u>	<u>14,449,797</u>
Total	<u>12,843,178</u>	<u>7,849,181</u>	<u>(7,970,956)</u>	<u>-</u>	<u>1,253,000</u>	<u>13,974,402</u>

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

STATEMENT OF FUNDS - ACADEMY TRUST - PRIOR YEAR

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Transfers £	Gains/ losses £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	184,822	661,997	(599,005)	-	-	247,814
	<u>184,822</u>	<u>661,997</u>	<u>(599,005)</u>	<u>-</u>	<u>-</u>	<u>247,814</u>
Restricted funds						
Transfer on conversion	9,413	-	-	(9,413)	-	-
General Annual Grant (GAG)	544,101	5,190,679	(4,485,555)	(119,140)	-	1,130,085
Pupil premium	-	426,385	(426,385)	-	-	-
Other DFE income	175,291	244,440	(419,731)	-	-	-
SEN income	-	170,744	(170,744)	-	-	-
Early years funding	-	494,671	(494,671)	-	-	-
Other LA income	-	-	-	-	-	-
Pension reserve	(1,771,000)	-	(101,000)	-	(1,260,000)	(3,132,000)
	<u>(1,042,195)</u>	<u>6,526,919</u>	<u>(6,098,086)</u>	<u>(128,553)</u>	<u>(1,260,000)</u>	<u>(2,001,915)</u>
Restricted fixed asset fund						
Restricted fixed asset funds	13,934,423	-	(545,275)	950,785	-	14,339,933
Capital expenditure from GAG	181,310	-	-	(181,310)	-	-
Devolved formula capital	19,501	28,694	-	(25,938)	-	22,257
Capital improvement fund	187,773	662,300	-	(614,984)	-	235,089
	<u>14,323,007</u>	<u>690,994</u>	<u>(545,275)</u>	<u>128,553</u>	<u>-</u>	<u>14,597,279</u>
Total	<u>-</u>	<u>7,879,910</u>	<u>(7,242,366)</u>	<u>-</u>	<u>(1,260,000)</u>	<u>12,843,178</u>

ASPIRE ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes including Universal Free School Meals and PE Sports grant.

Pupil premium must be used for the purpose detailed in the grant or donation.

The NCSL teaching school fund is to provide high-quality training, development and support to new and experienced school staff.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets and unspent capital funds. Transfers to the fund are to meet the cost of additions or transfers into GAG for revenue expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	14,240,071	14,240,071
Current assets	561,840	1,685,462	209,726	2,457,028
Creditors due within one year	-	(561,004)	-	(561,004)
Pension scheme liability	-	(2,162,000)	-	(2,162,000)
	<u>561,840</u>	<u>(1,037,542)</u>	<u>14,449,797</u>	<u>13,974,095</u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	14,339,933	14,339,933
Current assets	247,506	2,001,163	257,346	2,506,015
Creditors due within one year	-	(871,078)	-	(871,078)
Provisions for liabilities and charges	-	(3,132,000)	-	(3,132,000)
	<u>247,506</u>	<u>(2,001,915)</u>	<u>14,597,279</u>	<u>12,842,870</u>

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

	Group	
	2017	2016
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(121,775)	637,544
Adjustment for:		
Depreciation charges	573,231	544,648
Dividends, interest and rents from investments	(2,216)	(8,222)
Loss on the sale of fixed assets	-	687
Increase in debtors	(88,166)	(165,093)
(Decrease)/increase in creditors	(310,074)	141,961
Capital grants from DfE and other capital income	(268,197)	(690,994)
Pension adjustments	283,000	101,000
Net cash provided by operating activities	<u>65,803</u>	<u>561,531</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2017	2016
	£	£
Cash in hand	1,964,355	2,101,508
Total	<u>1,964,355</u>	<u>2,101,508</u>

NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £87,287 were payable to the schemes at 31 August 2017 (2016 - 82,974) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Accounts

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £349,526 (2016 - £328,982).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:
(<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>).

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £530,000 (2016 - £470,000), of which employer's contributions totalled £431,000 (2016 - £382,000) and employees' contributions totalled £99,000 (2016 - £88,000). The agreed contribution rates for future years are 25.3% for employers and between 5.5% and 12.5% for employees.

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22. PENSION COMMITMENTS (continued)

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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

	At 31 August	At 31 August
Sensitivity analysis - approximate monetary amount to defined benefit obligation	2017	2016
	£	£
Discount rate -0.5%	813,000	844,000
Salary increase rate +0.5%	101,000	311,000
CPI rate +0.5%	702,000	507,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,694,900	2,127,000
Debt instruments	1,036,500	945,000
Property	290,220	236,000
Cash and other liquid assets	124,380	68,000
Total market value of assets	4,146,000	3,376,000

The actual return on scheme assets was £380,000 (2016 - £328,000).

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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(647,000)	(415,000)
Interest cost	(67,000)	(68,000)
Total	<u>(714,000)</u>	<u>(483,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	6,508,000	4,285,000
Current service cost	647,000	415,000
Interest cost	143,000	171,000
Employee contributions	99,000	88,000
Actuarial (gains)/losses	(1,043,000)	1,588,000
Benefits paid	(46,000)	(39,000)
Closing defined benefit obligation	<u>6,308,000</u>	<u>6,508,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	3,376,000	2,514,000
Interest income	76,000	103,000
Actuarial gains	210,000	328,000
Employer contributions	431,000	382,000
Employee contributions	99,000	88,000
Benefits paid	(46,000)	(39,000)
Closing fair value of scheme assets	<u>4,146,000</u>	<u>3,376,000</u>

The amount shown in the Group Statement of Financial Activities is:

	2017 £	2016 £
Changes in financial assumptions	1,043,000	(1,588,000)
Return on assets excluding amounts included in net interest	210,000	328,000
Actuarial gains/(losses) on defined benefit pension schemes	<u>1,253,000</u>	<u>(1,260,000)</u>

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PENSION COMMITMENTS (continued)

The amount shown in the Balance Sheet is:

	2017 £	2016 £
Present value of defined benefit obligation	(6,308,000)	(6,508,000)
Fair value of scheme assets	4,146,000	3,376,000
	<u>(2,162,000)</u>	<u>(3,132,000)</u>
Defined benefit pension scheme liability	<u>(2,162,000)</u>	<u>(3,132,000)</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Group and Academy trust		
Amounts payable:		
Within 1 year	31,688	30,037
Between 1 and 5 years	69,442	95,171
Total	<u>101,130</u>	<u>125,208</u>

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy 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 11.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PRINCIPAL SUBSIDIARIES

**West Hertfordshire Teaching School
Partnership Limited**

Subsidiary name	West Hertfordshire Teaching School Partnership Limited
Company registration number	08240993
Basis of control	Register of Trustees
Total assets as at 31 August 2017	£ 58,592
Total liabilities as at 31 August 2017	£ 58,899
Total equity as at 31 August 2017	£ (307)
Turnover for the year ended 31 August 2017	£ 243,248
Expenditure for the year ended 31 August 2017	£ (243,248)
Result for the year ended 31 August 2017	£ -

26. 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.