

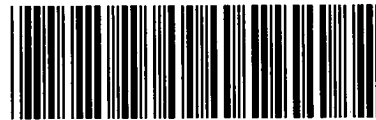


Company Registration No. 08689696 (England and Wales)

**THE ASPIRE EDUCATIONAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

TUESDAY



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A32

09/12/2014

#70

COMPANIES HOUSE

**Haines Watts**  
Chartered Accountants  
Bridge House  
Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

**THE ASPIRE EDUCATIONAL TRUST**  
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***FOR THE PERIOD ENDED 31 AUGUST 2014***

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**THE ASPIRE EDUCATIONAL TRUST**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

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**Trustees**

Mr K Newton (Appointed 13 September 2013)  
Mr K Simpson (Appointed 13 September 2013) #  
Mr B R Hardern (Resigned 1 October 2014)  
Mr M Gaffney (Resigned 1 October 2014)  
Mrs J E Ash (Resigned 1 October 2014)  
Mr G Bones (Resigned 1 October 2014)  
Mrs S Baggaley (Resigned 1 October 2014) #  
Mrs F Burgess (Resigned 1 October 2014) #  
Dr F Dobson (Resigned 1 October 2014)  
Mrs K Egdell (Appointed 13 September 2013)  
Mrs M E Grant (Resigned 1 October 2014) #  
Miss K L Harrop (Appointed 1 July 2014) #  
Mrs L Jeuda (Resigned 1 October 2014)  
Mrs M Lisle (Resigned 1 October 2014)  
Mrs S Bowen (Appointed 13 September 2013)  
Miss H Jackson (Appointed 1 October 2014)

# members of the leadership and management committee

**Members**

Mrs S Bowen  
Mr B R Hardern  
Mr K Newton

**Senior management team**

- Executive principal
- Director of finance and administration
- Head of Ash Grove Primary School

Mr K Simpson  
Mrs K Stanier  
Miss H Jackson

**Company registration number**

08689696 (England and Wales)

**Registered office**

Ash Grove Academy  
Belgrave Road  
Macclesfield  
Cheshire  
SK11 7TF

**Independent auditor**

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

**Bankers**

Lloyds TSB Bank Plc  
Lloyds TSB Commercial Centre  
223 Finney Lane  
Heald Green  
Cheshire  
SK8 3PY

# THE ASPIRE EDUCATIONAL TRUST

## TRUSTEES' REPORT

### FOR THE PERIOD ENDED 31 AUGUST 2014

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 13 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Macclesfield. It has a pupil capacity of 210 and had a roll of 191 on 1 September 2014.

#### **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 The Aspire Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Aspire Educational Trust formerly The Ash Grove Trust.

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

The Aspire Educational Trust is currently in the process of sponsoring a school in special measures and has another school converting as a voluntary converter. We intend that all of our academies will share:

- A commitment to the achievement, personal development and well-being of children and young people where the welfare of others is seen to be the first concern of all, no matter what their starting point is.
- A commitment to one academy rule: "All pupils/students and adults are expected to behave in a responsible manner, both to themselves and others, showing consideration, courtesy and respect at all times."
- A commitment to promoting and supporting parents' and carers' engagement in the development of learning and educational experience of their children.
- A commitment to the professional development and welfare of all the staff who are employees of The Aspire Educational Trust.
- A commitment to understand the community context within which the academy operates and to engage in appropriate activities with other agencies and community groups in order to promote community cohesion and economic regeneration
- An aspiration to be the best, not just nationally but internationally, with outstanding learning and teaching which engages pupils and is active, collaborative and encourages independence.
- A commitment to pupil voice, intended to empower and involve young people in the development and delivery of their own education and the life of their academy.
- A modern curriculum which meets the needs of all learners, has clear progression routes internally and to future education and employment.
- Professional networks, within our group and beyond, providing school to school support, opportunities for pupils, and sharing professional development.
- A commitment to community involvement with our schools and to lifelong community learning.

##### 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.

# THE ASPIRE EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every trustee and officer is indemnified against any liability incurred by them in their capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the trust.

#### Method of recruitment and appointment or election of trustees

Trustees have been elected from and by the original governing body of Ash Grove prior to its conversion to Ash Grove Academy. We seek to recruit by local knowledge of the experience and qualities which will be brought for the trust's advantages.

#### Policies and procedures adopted for the induction and training of trustees

From conversion on 1 December 2013 we have held meetings, often fortnightly (see minutes of the trustee meetings) which have formed the basis of our induction and training. We have also liaised with other MATs in order to learn from their experiences.

#### Organisational structure

The management structure consists of:

- the board of members;
- the board of trustees;
- the schools' governing bodies;
- an audit committee;
- a personnel committee (when required);
- a teaching and learning committee (when required); and
- a finance committee (when required).

The governance of the trust is at two levels; the trust board (and its subcommittees) and the individual academy governing bodies. The trust board is responsible for the strategic decision making of the trust and the board of directors are responsible for ensuring that high quality standards of corporate governance are maintained.

The main responsibilities of the trustees are:

- approving statutory policies;
- adopting the annual budget and medium term financial plan;
- making major decisions about the direction of the trust;
- approving significant contractual or capital expenditure;
- senior staff appointments;
- the appointment of auditors; and
- risk management.

The day to day running of the schools is delegated to the senior leadership team of the school. This comprises the principal and head of school. The SLT implement the policies laid down by the trustees and reports back to them. The SLT includes a business manager.

The executive principal of the trust has been appointed as accounting officer. All funds received by the trust are paid directly into The Aspire Educational Trust bank account.

#### Connected organisations including related party relationships

The executive principal of The Aspire Educational Trust is also the executive headteacher of Daven Primary School in Congleton and an executive consultant for Edge Hill University. In addition he is also a national Leader of education and head of a teaching school alliance. As part of this role he takes a lead in organising pupil premium reviews in Cheshire East schools on behalf of the LA.

# THE ASPIRE EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### Objectives and activities

##### Objectives:

- To advance, for the public benefit, education in the UK in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering broad and balanced curriculums.
- To ensure that all trust academies are at the forefront of international standards of excellence in educational provision and learning.

We will ensure all our academies will share:

- A commitment to the achievement, personal development and well-being of children and young people, where the welfare of others is seen to be the first concern of all, no matter their starting point.
- A commitment to one academy rule: "All pupils/students and adults are expected to behave in a responsible manner, both to themselves and others, showing consideration, courtesy and respect at all times."
- A commitment to promoting and supporting parents' and carers' engagement in the development of learning and educational experience of their children.
- A commitment to the professional development and welfare of all the staff who are employees of The Aspire Educational Trust.
- A commitment to understand the community context within which the academy operates and to engage in appropriate activities with other agencies and community groups in order to promote community cohesion and economic regeneration.
- An aspiration to be the best, not just nationally but internationally, with outstanding learning and teaching which engages pupils and is active, collaborative and encourages independence.
- A commitment to pupil voice, intended to empower and involve young people in the development and delivery of their own education and the life of their academy.
- A modern curriculum which meets the needs of all learners, has clear progression routes internally and to future education and employment.
- Professional networks, within our group and beyond, providing school to school support, opportunities for pupils, and sharing professional development.
- A commitment to community involvement with our schools and to lifelong community learning.

The trust has currently identified the following short-term objectives:

- to grow the trust from 1 school to 3 in 2014 – 2015;
- to ensure that excellent leadership is in place in each of the schools;
- to develop a strategic vision for the trust; and
- to ensure the trust governance structure supports the strategic vision.

##### Strategies and activities for achieving the objectives

The strategies for achieving the above objectives include:

- holding governance reviews;
- consultation with staff in schools;
- development of the trust website
- development of our support of other school providing development opportunities for all staff; and
- developing leadership at trust level using the government grant.

# THE ASPIRE EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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### The quality of teaching and learning

We will raise achievement through a relentless drive to improve the quality of teaching and learning, employing outstanding teachers and leaders to model outstanding practice and to coach our people in best practice in planning, assessment and the use of data. The systems in the schools will ensure consistency and the climate will be one of high expectations and aspirations for both staff and pupils.

### Links with partners

We have formed links with several schools in Cheshire East as part of the Teaching School Alliance. We have a strong network of local schools who form part of the Macclesfield Academy Learning Community. In addition we have links with Edge Hill University and MMU.

### Communication and decision making

Our scheme of delegation allows schools a high degree of autonomy for local boards, where this is merited through academy performance. Where performance is lower than expected the scheme of delegation will reflect this position. In the future we will include both local governors and principals/headteachers on the trust board.

## **Achievement**

### Key performance indicators

In line with the high aspirations of the trust, a range of key performance indicators are now in place to regularly monitor the progress and success of each academy once they are part of the trust.

- All Academies good or better in Ofsted inspections.
- 100% satisfactory or better teaching.
- 60% good or better teaching.
- 30% outstanding teaching.
- No student exclusion.
- Student attendance at 95% plus.

### Pre 11 targets

- 80% of children achieve level 4 in English and Maths.
- No child at 11 to have a reading age more than 3 years behind chronological age.
- All children to have experienced a prevocational programme and/or a qualification in sport/sporting achievement.
- Pupil premium children making as good or better progress than non-pupil premium children in order to close the gap rapidly.

### Leadership

- All LGBs to be working towards the Governor Mark.
- A commitment to the Aspirer Teaching School Alliance as an active member so that all leaders become outstanding.
- All schools to incorporate succession planning into their staffing structures.

### 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**

On conversion of the school to an academy under the trust, all the operations, assets and liabilities were transferred to The Aspire Educational Trust from Cheshire East LA. Accordingly net assets of £2,309,000 have been recognised as incoming resources in this first accounting period.

Excluding the net assets acquired on conversion, most of the trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

# THE ASPIRE EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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During the period from incorporation to 31 August 2014, £960,000 of recurrent grant funding from the EFA and other incoming resources (excluding net assets gifted on conversion) were offset by total expenditure of £891,000 resulting in a net surplus of £69,000 before actuarial gains and losses on pensions of £5,000.

The net surplus represents a £74,000 operational surplus in the period.

After adjusting for actual losses on the pension scheme of £244,000 and including the net assets gifted on conversion of £2,309,000, the movement in funds during the period was £2,316,000.

The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

We have a support system in place for finance officers in individual academies, and an internal audit committee which aims to ensure compliance.

Our audit committee scrutinises all finances.

#### Reserves policy

In establishing a reserves policy, the trust considers and balances the following principles:

- Sufficient funds should be immediately available to meet urgent or emergency requirements.
- The trust has an obligation to meet its liabilities as they fall due ensuring sufficient cash balances to smooth short-term cash deficit issues whether arising from adverse timing or from permanent reductions in income.
- The trustees have an obligation to protect the assets of the trust, predominantly leasehold land and buildings.
- The income of the trust should be spent for the benefit of current pupils.

The trustees will review reserve levels of the trust annually.

#### Investment policy

The directors' investment powers are governed by the Memorandum and Articles of Association, which permit the trust's funds to be held in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time be imposed or required by law.

The policy is to invest surplus funds as to achieve the optimum return against an acceptable level of risk. The trust's investments will be managed in conformity with our policy and the Memorandum and Articles of Association.

#### Principal risks and uncertainties

The trust has a risk register and risk review processes. The objectives will be to determine an approach, and where it is considered necessary put in place measures of control and mitigation in order to manage the risks.

The principle risks are the loss of reputation through falling standards, falling student rolls and failure to safeguard the students.

Key controls in place include:

- An organisational structure with defined roles, responsibilities and authorisation levels.
- Terms of reference for the committees.
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk.
- Vetting procedures as required by law for the protection of the vulnerable.

#### Plans for future periods

The trust has 2 schools that will join in 2014-2015. One school is a sponsored academy and the other a voluntary converter. The main aim of the year is to set up policies and procedures and establish a clear vision for the trust to move forward.



**THE ASPIRE EDUCATIONAL TRUST**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

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**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 ~~25/11/2014~~ and signed on the board's behalf by:



.....  
**Mrs S Bowen**  
**Chair of trustees**

# THE ASPIRE EDUCATIONAL TRUST

## GOVERNANCE STATEMENT

**FOR THE PERIOD ENDED 31 AUGUST 2014**

### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Aspire Educational 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 – Mr Kevin Simpson 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 The Aspire Educational 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 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Bowen (chairman)	2	2
K Egdell	2	2
K Newton	1	2
B Hardern	2	2
K Simpson (principal and accounting officer)	2	2
M Grant	2	2
F Burgess	2	2
M Lisle	2	2
S Baggaley	2	2
G Bones	1	2
M Gaffney	2	2
L Jeuda	1	2
K Harrop	2	2
J Ash	0	0
M Grant	2	2
F Dobson	0	0

The members of The Aspire Educational Trust have formed a committee to oversee finance, premises and human resource issues as well as to look at the strategic development of the trust.

Trustee	Meetings attended	Out of a possible
S Bowen (chairman)	12	12
K Egdell	3	3
K Newton	12	12
B Hardern	11	12
K Simpson (principal and accounting officer)	12	12
K Stanier (director of finance)	10	12

The audit committee is also sub committee of the board of trustees, which was established in December 2013. The audit committee's purpose is to monitor internal controls and risk management systems, the effectiveness of internal and external audit activity and the integrity of the financial statements. The audit committee has met twice and will meet termly from now on.

# THE ASPIRE EDUCATIONAL TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### **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 The Aspire Educational Trust for the period 13 September 2013 to 31 August 2014 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 period 13 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Michael Prior as internal auditor.

The responsible officer role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the responsible officer reports directly to the audit committee who act on its findings and report the outcomes to the board of trustees, reflecting upon the operation of the systems of control and on the discharge of the board of trustees' 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 period in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

# THE ASPIRE EDUCATIONAL TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2014**


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

I confirm that I and the academy trust board of 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.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

Approved by order of the members of the board of trustees on 25/11/2014... and signed on its behalf by:



.....  
**Mrs S Bowen**  
**Chair of trustees**



.....  
**Mr K Simpson**  
**Accounting officer**

# THE ASPIRE EDUCATIONAL TRUST

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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

I confirm that I and the academy trust's 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.

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 EFA.

Approved on ~~25/11/2014~~ and signed by:



.....  
**Mr K Simpson**  
Accounting officer

# THE ASPIRE EDUCATIONAL TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE PERIOD ENDED 31 AUGUST 2014

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The trustees (who also act as governors for The Aspire Educational Trust and are also the directors of The Aspire Educational Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 25/11/2014 and signed on its behalf by:



.....  
**Mrs S Bowen**  
**Chair of trustees**

# THE ASPIRE EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPIRE EDUCATIONAL TRUST

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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We have audited the accounts of The Aspire Educational Trust for period ended 31 August 2014 which comprise income and expenditure account and statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees, who are also the directors of The Aspire Educational Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the accounts**

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

### **Opinion on accounts**

In our opinion the accounts:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' report for the financial period for which the accounts are prepared is consistent with the accounts.

# THE ASPIRE EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPIRE EDUCATIONAL TRUST (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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### **Matters on which we are required to report by exception**

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

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



**John Whittick (Senior Statutory Auditor)**

**Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 25/11/14



# **THE ASPIRE EDUCATIONAL TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY**

***FOR THE PERIOD ENDED 31 AUGUST 2014***

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Aspire Educational Trust during the period 13 September 2013 to 31 August 2014 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 The Aspire Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aspire Educational Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Aspire Educational Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Aspire Educational Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Aspire Educational Trust's funding agreement with the Secretary of State for Education dated 24 January 2014 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 13 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE ASPIRE EDUCATIONAL TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASPIRE EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 13 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
**Haines Watts**

Dated: 25/11/14

# THE ASPIRE EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset fund £(000)	Total 2014 £(000)
<b>Incoming resources</b>					
<i>Resources from generated funds</i>					
- Inherited on conversion	21	71	(177)	2,415	2,309
- Activities for generating funds	2	124	14	-	138
<i>Resources from charitable activities</i>					
- Funding for educational operations	3	-	820	2	822
<b>Total incoming resources</b>		<b>195</b>	<b>657</b>	<b>2,417</b>	<b>3,269</b>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	5	30	826	2	858
Governance costs	6	-	33	-	33
<b>Total resources expended</b>	4	<b>30</b>	<b>859</b>	<b>2</b>	<b>891</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>165</b>	<b>(202)</b>	<b>2,415</b>	<b>2,378</b>
Gross transfers between funds		(25)	20	5	-
<b>Net income/(expenditure) for the period</b>		<b>140</b>	<b>(182)</b>	<b>2,420</b>	<b>2,378</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension scheme	15	-	(62)	-	(62)
<b>Net movement in funds</b>		<b>140</b>	<b>(244)</b>	<b>2,420</b>	<b>2,316</b>
Fund balances at 13 September 2013		-	-	-	-
<b>Fund balances at 31 August 2014</b>		<b>140</b>	<b>(244)</b>	<b>2,420</b>	<b>2,316</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from acquisitions during the financial period above.

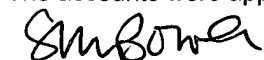
# THE ASPIRE EDUCATIONAL TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £(000)	£(000)
<b>Fixed assets</b>			
Tangible assets	9		2,420
<b>Current assets</b>			
Debtors	10	64	
Cash at bank and in hand		180	
		<u>244</u>	
Creditors: amounts falling due within one year	11	(104)	
		<u></u>	
<b>Net current assets</b>			140
<b>Total assets less current liabilities</b>			<u>2,560</u>
Defined benefit pension liability	15		(244)
			<u></u>
<b>Net assets</b>			<u>2,316</u>
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	13		
- Fixed asset funds			2,420
- Pension reserve			(244)
			<u></u>
<b>Total restricted funds</b>			2,176
<b>Unrestricted funds</b>	13		140
			<u></u>
<b>Total funds</b>			<u>2,316</u>

The accounts were approved by order of the board of trustees and authorised for issue on 25/11/2014



Mrs S Bowen  
Chair of trustees

Company Number 08689696

**THE ASPIRE EDUCATIONAL TRUST**

**CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

	Notes	2014 £(000)
Net cash inflow/(outflow) from operating activities	16	114
Cash funds transferred on conversion		71
		<u>185</u>
<b>Capital expenditure and financial investments</b>		
Capital grants received		2
Payments to acquire tangible fixed assets		(7)
		<u>(5)</u>
<b>Net cash flow from capital activities</b>		<u>(5)</u>
<b>Increase/(decrease) in cash</b>	17	<u>180</u>

All of the cash flows are derived from acquisitions in the current financial period.

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### **1 Accounting policies**

##### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

##### **1.3 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition method.

The assets and liabilities transferred on conversion from The Ash Grove Primary to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their value is in accordance with the accounting policies set out for The Aspire Educational Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Assets have been transferred at their depreciable rated value.

##### **1.4 Incoming resources**

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

##### **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### **Donations**

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

##### **Other income**

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

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

On conversion to an academy Cheshire East Borough Council donated, on a 125 year lease, the land and property of the school. The buildings were over 50 years old so on the basis of depreciable replacement value no value was given to them. The land transferred at £nil was valued at the date of transfer according to local land prices

### **1.5 Resources expended**

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

### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

### Charitable activities

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

### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

### **1.6 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Leasehold Land and buildings	Buildings have been fully depreciated before conversion
Computer equipment	3 years

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed assets 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.

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 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.

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 15, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.10 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 Education Funding Agency, Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department for Education, the local authority and other funders.



# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

### 2 Activities for generating funds

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)
Catering income	-	14	14
Other income	124	-	124
	<u>124</u>	<u>14</u>	<u>138</u>

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	663	663
Start up grants	-	25	25
Capital grants	-	2	2
Other DfE / EFA grants	-	44	44
	<u>-</u>	<u>734</u>	<u>734</u>
<b>Other government grants</b>			
Local authority grants	-	88	88
	<u>-</u>	<u>88</u>	<u>88</u>
<b>Total funding</b>	<u>-</u>	<u>822</u>	<u>822</u>

### 4 Resources expended

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2014 £(000)
<b>Academy's educational operations</b>				
- Direct costs	490	2	109	601
- Allocated support costs	147	12	98	257
	<u>637</u>	<u>14</u>	<u>207</u>	<u>858</u>
<b>Other expenditure</b>				
Governance costs	-	-	33	33
	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
<b>Total expenditure</b>	<u>637</u>	<u>14</u>	<u>240</u>	<u>891</u>

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2014**

### 4 Resources expended

Incoming/outgoing resources for the period include:

2014  
£(000)

Operating leases

- Plant and machinery

6

Fees payable to auditor

- Audit

5

- Other services

3

### 5 Charitable activities

#### Direct costs

Teaching and educational support staff costs

-

482

482

Depreciation

-

2

2

Technology costs

-

7

7

Educational supplies and services

30

72

102

Staff development

-

8

8

30

571

601

#### Allocated support costs

Support staff costs

-

142

142

Maintenance of premises and equipment

-

12

12

Cleaning

-

2

2

Energy costs

-

12

12

Rent and rates

-

6

6

Insurance

-

13

13

Security and transport

-

5

5

Catering

-

32

32

Additional pension costs

-

5

5

Other support costs

-

28

28

-

257

257

#### Total costs

30

828

858

**THE ASPIRE EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

**6 Governance costs**

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)
Legal and professional fees	-	27	27
Auditor's remuneration			
- Audit of financial statements	-	5	5
- Other audit costs	-	1	1
	<u>-</u>	<u>33</u>	<u>33</u>

**7 Staff costs**

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

	2014 Number
Teachers	8
Administration and support	14
Management	5
	<u>27</u>

**Costs included within the accounts:**

	2014 £(000)
Wages and salaries	515
Social security costs	36
Other pension costs	75
	<u>626</u>
Supply teacher costs	3
Staff development	8
	<u>637</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number
£85,001 - £90,000	1

The employee above did not participate in the pension schemes.

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

#### 8 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, travel and subsistence payments totalling £838 were reimbursed to 2 trustees.

The value of trustees' remuneration was as follows:

K Simpson (principal and trustee):	£80,000 - £85,000
S Baggaley (staff trustee):	£25,000 - £30,000
M Lisle (staff trustee):	£20,000 - £25,000
F Burgess (staff trustee):	£10,000 - £15,000

Other related party transactions involving the trustees are set out within the related parties note.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £835.

#### 9 Tangible fixed assets

	Leasehold Land and buildings £(000)	Computer equipment £(000)	Total £(000)
<b>Cost</b>			
At 13 September 2013	-	-	-
Additions	-	7	7
Transfers	2,415	-	2,415
	<u>2,415</u>	<u>7</u>	<u>2,422</u>
At 31 August 2014	2,415	7	2,422
<b>Depreciation</b>			
At 13 September 2013	-	-	-
Charge for the period	-	2	2
	<u>-</u>	<u>2</u>	<u>2</u>
At 31 August 2014	-	2	2
<b>Net book value</b>			
At 31 August 2014	<u>2,415</u>	<u>5</u>	<u>2,420</u>

**THE ASPIRE EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

<b>10 Debtors</b>	<b>2014 £(000)</b>
Trade debtors	5
VAT recoverable	10
Prepayments and accrued income	49
	<u>64</u>
<b>11 Creditors: amounts falling due within one year</b>	<b>2014 £(000)</b>
Trade creditors	5
Taxes and social security costs	16
Other creditors	12
Accruals	6
Deferred income	65
	<u>104</u>
<b>12 Deferred income</b>	<b>2014 £(000)</b>
Deferred income is included within:	
Creditors due within one year	65
	<u>65</u>
Total deferred income at 13 September 2013	-
Amounts credited to the statement of financial activities	-
Amounts deferred in the year	65
	<u>65</u>
<b>Total deferred income at 31 August 2014</b>	<b>65</b>

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

### 13 Funds

	Balance at 13 September 2013 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2014 £(000)
<b>Restricted general funds</b>					
General Annual Grant	-	663	(665)	2	-
Start up grants	-	25	(25)	-	-
Other DfE / EFA grants	-	44	(44)	-	-
Other government grants	-	88	(88)	-	-
Other restricted funds	-	14	(32)	18	-
	<u>-</u>	<u>834</u>	<u>(854)</u>	<u>20</u>	<u>-</u>
Funds excluding pensions	-	834	(854)	20	-
Pension reserve	-	(177)	(5)	(62)	(244)
	<u>-</u>	<u>657</u>	<u>(859)</u>	<u>(42)</u>	<u>(244)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	2	(2)	-	-
Inherited fixed asset fund	-	2,415	-	-	2,415
Capital expenditure from GAG or other funds	-	-	-	5	5
	<u>-</u>	<u>2,417</u>	<u>(2)</u>	<u>5</u>	<u>2,420</u>
<b>Total restricted funds</b>	<u>-</u>	<u>3,074</u>	<u>(861)</u>	<u>(37)</u>	<u>2,176</u>
<b>Unrestricted funds</b>					
General funds	-	195	(30)	(25)	140
	<u>-</u>	<u>195</u>	<u>(30)</u>	<u>(25)</u>	<u>140</u>
<b>Total funds</b>	<u>-</u>	<u>3,269</u>	<u>(891)</u>	<u>(62)</u>	<u>2,316</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

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 2014.

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

#### 14 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	2,420	2,420
Current assets	244	-	-	244
Creditors: amounts falling due within one year	(104)	-	-	(104)
Defined benefit pension liability	-	(244)	-	(244)
	<u>140</u>	<u>(244)</u>	<u>2,420</u>	<u>2,316</u>

#### 15 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Chester West and Chester Council. Both are defined-benefit schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £11,701 were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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#### 15 Pensions and similar obligations

##### **Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website: (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

##### **Teachers' Pension Scheme changes**

Lord Hutton 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 just 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 were to be phased in from April 2012 on a 40:80:100 percent basis.



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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

#### 15 Pensions and similar obligations

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £32,000.

	2014 £(000)
Employer's contributions	32
Employees' contributions	8
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Total contributions	40
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##### Principal actuarial assumptions

	2014 %
Rate of increase in salaries	3.5
Rate of increase for pensions in payment	2.7
Discount rate for scheme liabilities	3.7
Expected return on assets	5.6
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##### Sensitivity analysis

##### Changes in assumptions at 31 August 2014:

	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14	56
1 year increase in member life expectancy	3	12
0.5% increase in the Salary Increase Rate	8	32
0.5% increase in the Pension Increase Rate	6	23

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

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

	2014 Years
Retiring today	
- Males	22.3
- Females	24.4
Retiring in 20 years	
- Males	24.1
- Females	26.7

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2014 Expected return %	2014 Fair value £(000)
Equities	6.3	115
Bonds	2.9	22
Property	4.5	11
Cash	3.3	9
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Total market value of assets		157
Present value of scheme liabilities - funded		(401)
		<hr/>
Net pension asset / (liability)		(244)

The rates of return have been determined using the Hymans Robertson Asset Model (HRAM). The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns shown in this report have been calculated using 5,000 simulations of HRAM, calibrated using market data as at a recent date.

The actual return on scheme assets was £11,000.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

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**15 Pensions and similar obligations**

**Operating costs and income recognised in the statement of financial activities**

	<b>2014 £(000)</b>
<b>Financial expenditure/(income)</b>	
Expected return on pension scheme assets	(6)
Interest on pension liabilities	10
	<u>4</u>
<b>Other expenditure/(income)</b>	
Current service cost	33
Past service cost	-
	<u>33</u>
<b>Total operating charge/(income)</b>	<u>37</u>

**Actuarial gains and losses recognised in the statement of financial activities**

	<b>2014 £(000)</b>
Actuarial (gains)/losses on assets: actual return less expected	(5)
Experience (gains)/losses on liabilities	67
(Gains)/losses arising from changes in assumptions	-
	<u>62</u>
<b>Total (gains)/losses</b>	<u>62</u>
<b>Cumulative (gains)/losses to date</b>	<u>62</u>

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

	<b>2014 £(000)</b>
Opening defined benefit obligations	(283)
Current service cost	(33)
Interest cost	(10)
Contributions by employees	(8)
Actuarial gains/(losses)	(67)
	<u>(401)</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

**15 Pensions and similar obligations**

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

	<b>2014 £(000)</b>
Opening fair value of scheme assets	106
Expected return on assets	6
Actuarial gains/(losses)	5
Contributions by employers	32
Contributions by employees	8
	<u>157</u>

**History of experience gains and losses:**

	<b>2014 £(000)</b>
Present value of defined benefit obligations	(401)
Fair value of share of scheme assets	157
	<u>(244)</u>
Surplus / (deficit)	<u>(244)</u>
Experience adjustment on scheme liabilities	(67)
Experience adjustment on scheme assets	5
	<u></u>

**16 Reconciliation of net income to net cash inflow/(outflow) from operating activities**

	<b>2014 £(000)</b>
Net income	2,378
Capital grants and similar income	(2)
Net deficit/(surplus) transferred on conversion	(2,309)
FRS17 pension costs less contributions payable	1
FRS17 pension finance income	4
Depreciation of tangible fixed assets	2
(Increase)/decrease in debtors	(64)
Increase/(decrease) in creditors	104
	<u>114</u>
Net cash inflow/(outflow) from operating activities	<u>114</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2014**

<b>17</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2014 £(000)</b>
	Increase/(decrease) in cash	180
	Net funds at 13 September 2013	-
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	<b>Net funds at 31 August 2014</b>	<b>180</b>
		<hr/>

<b>18</b>	<b>Analysis of net funds</b>					
		<b>At 13 September 2013 £(000)</b>	<b>Transferred on conversion £(000)</b>	<b>Cash flows £(000)</b>	<b>Non-cash changes £(000)</b>	<b>At 31 August 2014 £(000)</b>
	Cash at bank and in hand	-	71	109	-	180
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**19** **Commitments under operating leases**

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2014 £(000)</b>
Expiry date:	
- Between two and five years	13
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**20** **Related parties**

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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

# THE ASPIRE EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2014

#### 21 Conversion to an academy

On 1 December 2013 the Ash Grove Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Aspire Educational Trust from the East Cheshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

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

<b>Funds surplus/(deficit) transferred:</b>	<b>Unrestricted funds £(000)</b>	<b>Restricted funds £(000)</b>	<b>Fixed asset funds £(000)</b>	<b>Total 2014 £(000)</b>
Fixed assets funds	-	-	2,415	2,415
LA budget funds	71	-	-	71
LGPS pension funds	-	(177)	-	(177)
	<u>71</u>	<u>(177)</u>	<u>2,415</u>	<u>2,309</u>
<b>Net assets transferred:</b>				<b>£(000)</b>
Leasehold land and buildings				2,415
Cash				71
Pension surplus/(deficit)				(177)
				<u>2,309</u>

#### 22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.